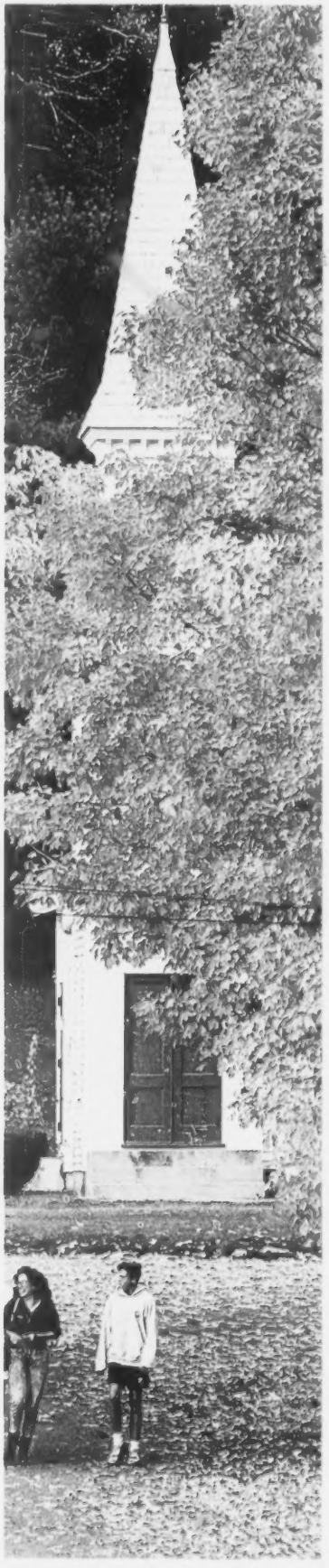
New Hampshire

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

The Heart of New England

Annual Report
1993



STATE OF NEW HAMPSHIRE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1993

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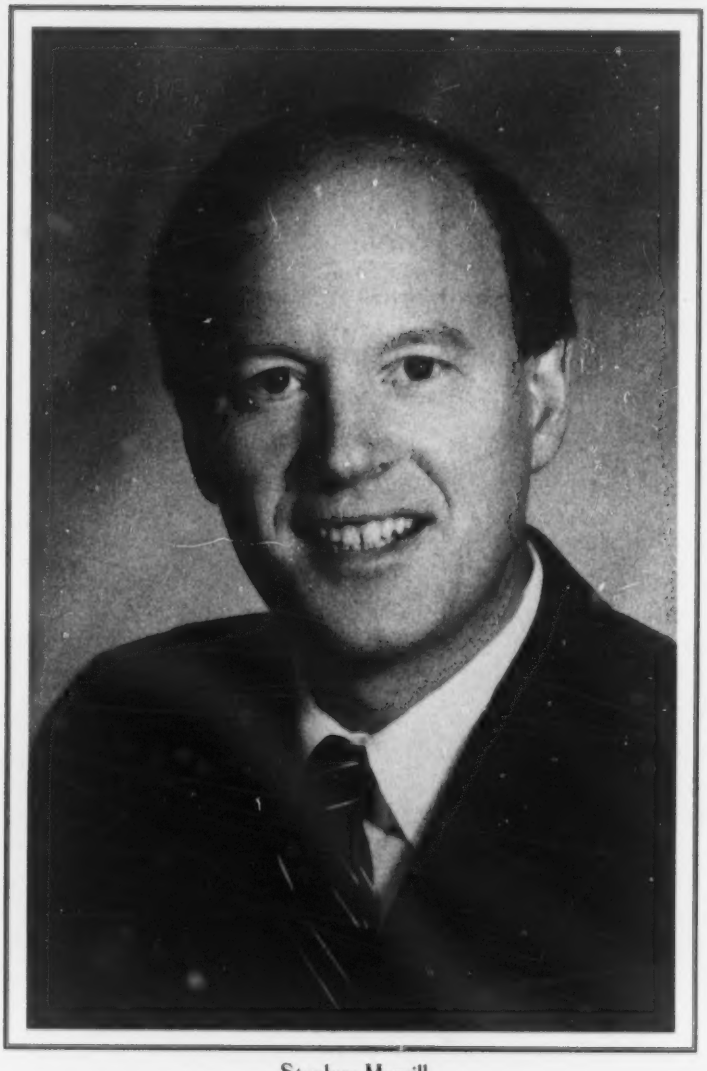

Stephen Merrill
Governor
State of New Hampshire

STATE OF NEW HAMPSHIRE

OFFICE OF THE GOVERNOR

STEPHEN MERRILL
GOVERNOR

**To: The Honorable Members of the Legislature and
to the Citizens of the State of New Hampshire**

I am pleased to accept this Comprehensive Annual Financial Report for the State of New Hampshire covering operations for the fiscal year ended June 30, 1993. Included in this report are the State's independently audited General Purpose Financial Statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP). This report is presented to you and to the financial community to enable you to more clearly comprehend New Hampshire's financial status.

Fiscal year 1993 brought about the most sweeping tax reform in 20 years in New Hampshire. The stability maintained by New Hampshire's tax policy and the restrained size of government that it generates remains the most important priority for our citizens. The state's largest business tax, the business profits tax, was reduced to its lowest rate in 14 years. The communication and real estate transfer taxes were also reduced, and the corporate franchise fee and savings bank tax were eliminated.

New Hampshire continues to lead the region out of the worst recessionary period since World War II. By maintaining a policy of fiscal conservatism, cutting taxes and holding the line on spending, New Hampshire closed out the fiscal year with a balanced budget and a surplus of over $30 million. We were also able to return $10 million to the cities and towns of New Hampshire for the purpose of lowering property taxes, and we began to replenish the Revenue Stabilization Fund by adding $20 million.

We have made a major commitment to technical assistance, financing, international trade, and business-related opportunities, so that we will have the partnerships and programs in place when we are faced with the next economic downturn.

It is clear that the future of our state will be made more secure as we build upon areas of stability and long-term economic growth. These areas of economic stability and growth will continue to evolve and change as the state's business, educational, industrial, and communications future unfolds. We must now focus on how best to prepare for the coming decade.

Very truly yours,

Stephen Merrill

Stephen Merrill
Governor

STATE HOUSE, CONCORD, NH 03301 (603) 271-2121

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STATE OF NEW HAMPSHIRE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

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Cover photos: David Brownell; Studio One

INTRODUCTORY SECTION

STATE OF NEW HAMPSHIRE
SELECTED STATE OFFICIALS

EXECUTIVE

GOVERNOR
Stephen Merrill

EXECUTIVE COUNCIL
Raymond S. Burton
Robert C. Hayes
Earl A. Rinker III
Ruth L. Griffin
Bernard A. Streeter, Jr.

ATTORNEY GENERAL
Jeffrey R. Howard

COMMISSIONER OF ADMINISTRATIVE SERVICES
Patrick Duffy

JUDICIAL

CHIEF JUSTICE
SUPREME COURT OF NEW HAMPSHIRE
David A. Brock

LEGISLATIVE

PRESIDENT OF THE SENATE
Ralph D. Hough
(24 Senators)

SPEAKER OF THE HOUSE OF REPRESENTATIVES
Harold W. Burns
(400 Representatives)

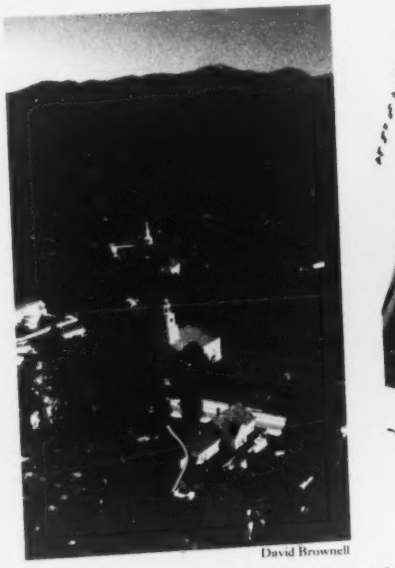
TREASURER
Georgie A. Thomas

SECRETARY OF STATE
William M. Gardner

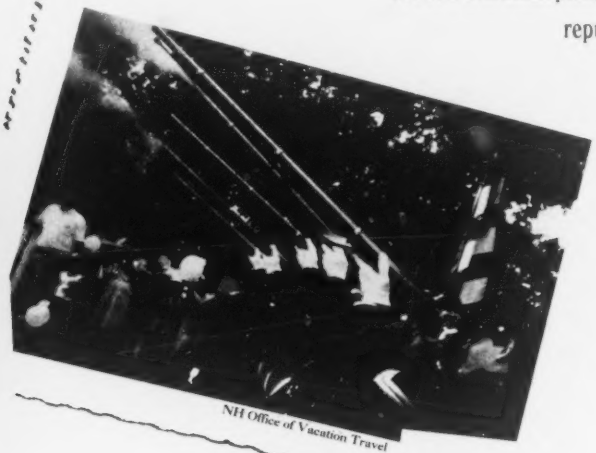
The New Hampshire Difference

a place you can call home

To find the "Uniqueness of New Hampshire" one need only look to the profile of the "Old Man of the Mountain", rising high above the White Mountain Region of the Granite State. Since its discovery in 1805, thousands of visitors from all over the world have visited this great natural landmark that has become the proud symbol of the people who call New Hampshire home. The great stoneface symbol is just one of the many examples of what sets us apart from the other 49 states, and makes New Hampshire a unique place to live, work, and raise a family. As a state, we have many things of which to be proud. New Hampshire is truly one of the most diverse and interesting states in New England and this country.



David Brownell



NH Office of Vacation Travel

History books show that on April 16, 1623, a group of twenty- one adventurous men, captained by David Thomson, landed at Odiorne's Point in what is now Rye, New Hampshire. Within a few years there were four recognized communities in New Hampshire: Strawbery Banke, renamed Portsmouth in 1653; Dover; Hampton; and Exeter. These four little republics were legally independent, and were not united officially until later in the century. It was there that the seeds for the

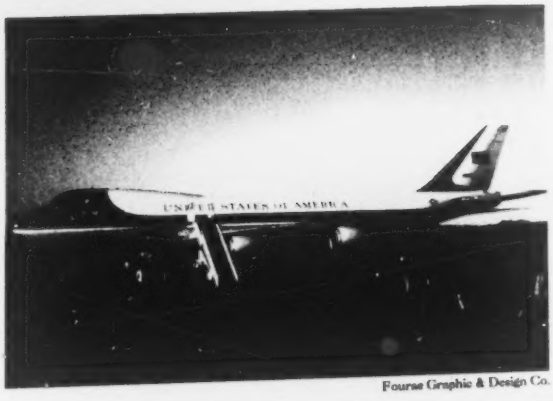
David Brownell

Historic New Hampshire
the picture of America

Cooper Coughlin

Not only was New Hampshire the ninth and deciding state to ratify the Federal Constitution in 1788, but it was also the first state to adopt its own constitution, in 1783.

The "Uniqueness of New Hampshire" is expressed in our state motto: "Live Free or Die", taken from the words of Revolutionary War hero John Stark. This motto exemplifies the independence and the bravery of the men and women who continue to live in this state.


Fourse Graphic & Design Co.

Every four years the eyes of the nation and the world focus on the New Hampshire town of Dixville Notch. Their first votes in our first-in-the-nation primary are cast shortly after midnight.

"New Hampshire Difference" were planted. Since that time, New Hampshire has experienced over three centuries of history, tradition, and successful economic development.

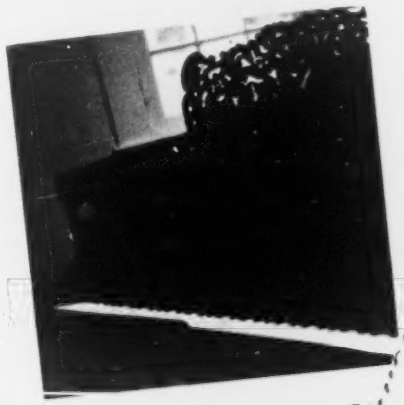
Our contributions to America have included the likes of Daniel Webster, the famous statesman and orator; General John Stark, the Revolutionary War hero; Franklin Pierce, the 14th President of the United States; poet Robert Frost; and the first American in space, Alan B. Shepard.

Ken Williams

Building on Life Rich with Tradition

with an eye on the future

New Hampshire remains the only state in the nation without either a general sales or income tax. The most important priority for our citizens remains the stability maintained by New Hampshire's tax policy and the restrained size of government it generates.



The New Hampshire tax climate, along with our streamlined bureaucracy, and the many opportunities for entrepreneurial growth and development sets us apart from any other state. There are many substantial benefits to doing business in New Hampshire. We have a dedicated and well- educated work force, an education system that provides our population with the skills and training needed to meet the challenges of the next century, two major national and international airports in Manchester and at Pease, a growing and developing tradeport in Portsmouth, close and immediate access to the population centers of the east coast, a growing technology- based business community, a life style which encompasses recreational opportunities that range from skiing to salt water sport fishing, a booming tourism industry and cultural opportunities through our symphonies and theaters.

Life is Right in New Hampshire

for business or pleasure

Ken Williams

The New Hampshire Legislature, the largest state legislative body in the United States with 424 members, provides the citizens of this state with representation unlike any other state in the union.

NH Craftsmen

But perhaps no one group exemplifies the uniqueness of our great state more than the artisans who create here. These small business people, working in studios dotted all around New Hampshire, produce unique products of the highest standards in technique, materials, design and aesthetics. These standards and spirit are symbolic of the New Hampshire way and the industriousness of our people.

Brooks Dodge

New Hampshire became the first state in the nation to declare 1993 "The Year of the American Craft", a national project that brings to the forefront the outstanding cultural contributions of craft by portraying the ways in which craftsmanship is woven into the aesthetic and spiritual fabric of life.

The industry is a significant economic force, but equally important, our arts and crafts help us to appreciate our cultural richness, and serve as a material record, offering insight to history and bridging the past with the present and future.

New Hampshire
The Granite State

the heart of New England

David Niles

The New Hampshire arts legacy includes the likes of Robert Frost, Edward Macdowell, and Augustus St. Gaudens, all of whom found New Hampshire to be an ideal place to write, to compose, or to sculpt. The serenity, the beautiful and inspiring natural landscape, and the proximity to urban centers, provided the setting for the creative process to produce remarkable works of art.

David Brownell

Only New Hampshire offers so much, so close. From colonial Portsmouth and Strawbery Banke to the Robert Frost farm in Derry, to the Franklin Pierce sites in Hillsborough and Concord and other historic locations.

David Brownell

It is no wonder that New Hampshire has been selected as the "Most Livable State" in two of the last three years by the Morgan Quitno Corporation of Lawrence, Kansas, based on 43 categories, including crime, education, health, income, drunken driving deaths, and weather. It is important that we aggressively communicate to others that the State of New Hampshire is a good place to live, to do business, and to raise a family.

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STATE OF NEW HAMPSHIRE
ORGANIZATION CHART

LEGISLATIVE
Senate
House
Legislative Services
Legislative Budget Assistant

EXECUTIVE
Governor
and
Council

JUDICIAL
Supreme Court
Superior Court
District Court
Municipal Court
Probate Court

STATE AGENCIES

GENERAL GOVERNMENT
Administrative Services
Cultural Affairs
Executive Office
Revenue Administration
Secretary of State
State Treasury

ADMINISTRATION OF JUSTICE AND PUBLIC PROTECTION
Adjutant General
Agriculture
Banking
Corrections
Employment Security
Highway Safety
Insurance
Justice
Labor
Liquor Commission
Pari-Mutuel Commission
Public Utilities Commission
Safety

RESOURCE PROTECTION AND DEVELOPMENT
Business Finance Authority
Environmental Services
Fish and Game
Pease Development Authority
Resources and Economic Development

TRANSPORTATION
Port Authority
Transportation

HEALTH AND SOCIAL SERVICES
Health and Human Services
Veterans' Council
Veterans' Home

EDUCATION
Education
Postsecondary Education Commission
Postsecondary Technical Education
Sweepstakes Commission
University System of New Hampshire

FINANCIAL SUMMARY

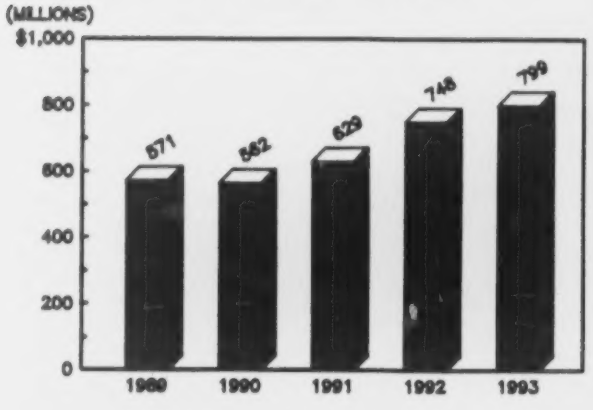
General Fund unrestricted revenue for the fiscal year ended June 30, 1993 totaled $799.0 million, which represented a $50.7 million or 6.8% increase over the prior year revenues of $748.3 million. For fiscal year 1993, each of the ten largest taxes, which comprised 82% of the total General Fund unrestricted revenue, exceeded the prior year's revenue amounts by a total of $64.8 million. Business profits tax showed the largest increase of $37.2 million or 40.6%. The increased business profits tax revenue resulted from two factors: stronger business performances over the prior year and a settlement through which the State received previously unpaid business profits taxes of $10.8 million. Board and care revenues increased by $9.6 million or 42.7% due to a change in the State's federal Medicaid plan related to New Hampshire Hospital's disproportionate share for Medicaid. In addition, the remainder of the ten largest taxes all showed strong and steady performances by surpassing prior year collections.

Offsetting the positive results of the ten largest taxes, real estate transfer tax fell short of prior year collections by $8.3 million or 23.6% due to the collection in fiscal year 1992 of a one time receipt of $7.1 million related to the transfer of PSNH's Seabrook nuclear station property to Northeast Utilities. The savings bank tax also showed a decrease of $4.4 million or 59.2% due to low interest rates paid on CD's which caused investors to shift capital from the banks into higher yielding investments such as stocks and mutual funds.

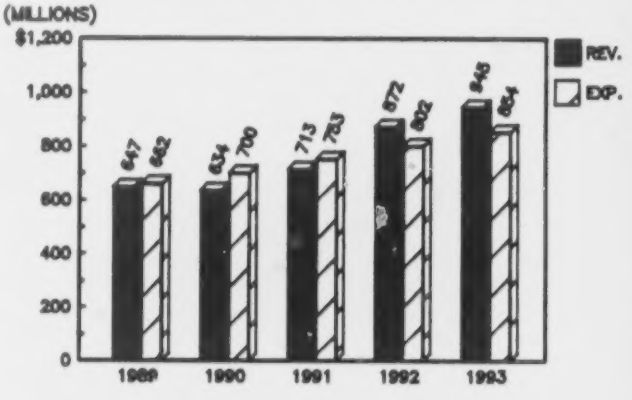
Total General Fund expenditures for fiscal year 1993 amounted to $854.1 million, an increase of $51.6 million or 6.4% over fiscal year 1992. The greatest increases were in the health and social services ($17.1 million or 6.5%), resource protection and development ($4.5 million or 8.4%), and education ($9.4 million or 5.4%) categories. The increase in health and social services was due to the growth in the number of medicaid and financial aid recipients over the prior year. Resource protection and development included $4.7 million of the state aid grants for water pollution facilities and $2.6 million increase for Pease Development Authority operating budget over the prior year. The University System of New Hampshire expenditures increased $7 million over fiscal year 1992, contributing to the growth in the education category.

As of June 30, 1993, the State's General Fund undesignated fund balance of $31.5 million reflected the net results of the State's General Fund operations, after two fund balance transfers: $17.6 million to the reserve for nuclear property tax settlement and $20.0 million to the Revenue Stabilization Account. The nuclear property tax settlement reserve is the result of the negotiated settlement relative to the lawsuit challenging the constitutionality of the State's nuclear property tax. Under the terms of the settlement agreement, the State will refund $17.6 million of the nuclear property tax collected in fiscal years 1992 and 1993, through tax credits of $8.8 million in each of the fiscal years 1994 and 1995. The $20.0 million transfer to the Revenue Stabilization Account is the first transfer into this account since fiscal year 1989.

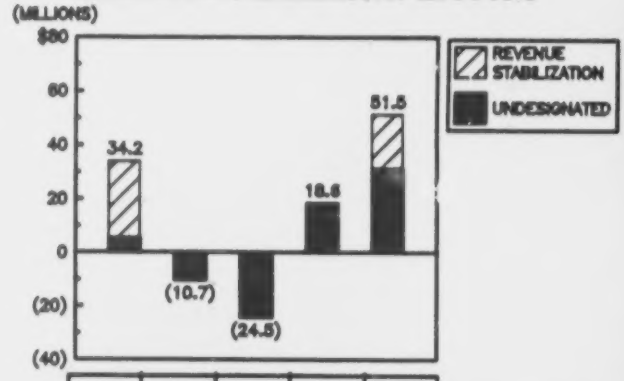
GENERAL FUND
UNRESTRICTED REVENUE



GENERAL FUND
REVENUES AND EXPENDITURES

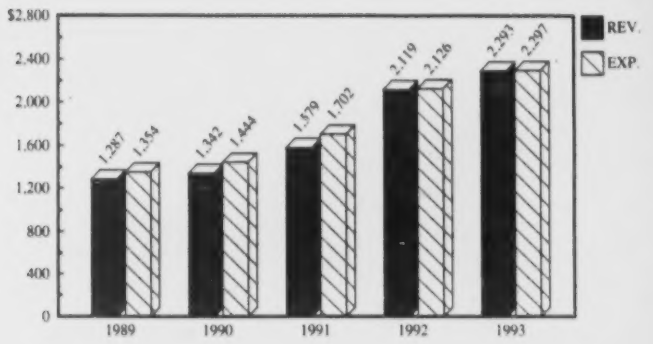


GENERAL FUND UNDESIGNATED
FUND BALANCE AND DESIGNATED FOR
REVENUE STABILIZATION ACCOUNT



1989	1990	1991	1992	1993	
28.6	0.0	0.0	0.0	20.0	REV. STABILIZATION
5.6	(10.7)	(24.5)	18.6	31.5	UNDESIGNATED

FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES ALL FUNDS - IN MILLIONS

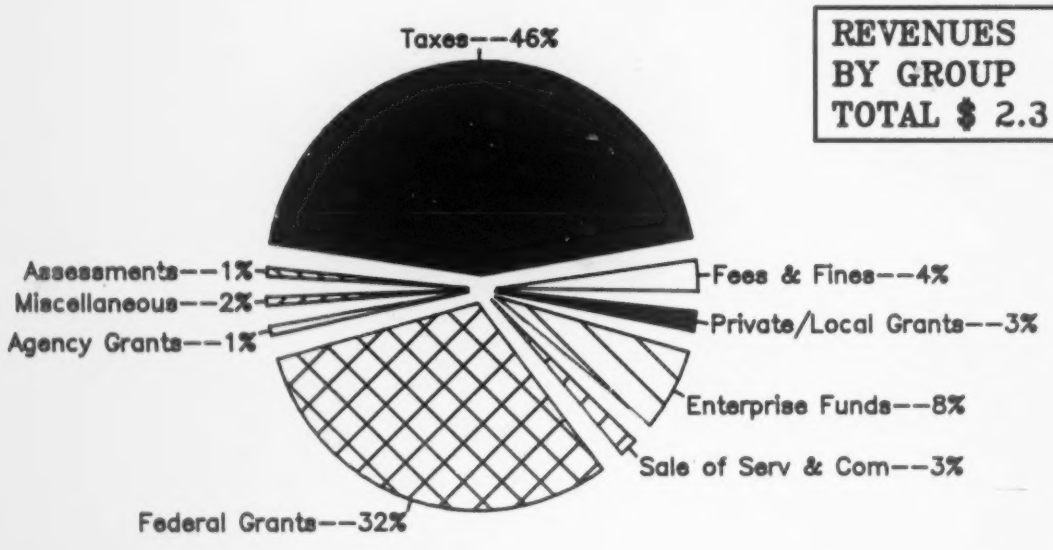


Revenues by Group	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Governmental and Expendable Trusts:					
Taxes	$ 590	$ 574	$ 664	$ 1,000	$ 1,066
Fees and Fines	60	77	80	82	86
Grants from Federal Government	324	356	460	656	740
Grants from Private and Local Sources	47	55	63	68	73
Sale of Services and Commodities	44	48	65	59	69
Assessments	11	11	14	16	17
Grants from Other Agencies	17	13	15	17	17
Miscellaneous	54	49	47	46	48
Total	1,147	1,183	1,408	1,944	2,116
Enterprise Funds and Non-Expendable Trusts:					
Turnpike System	33	45	48	48	48
Liquor Commission (Net of Cost of Sales and Services)	66	68	74	75	76
Sweepstakes Commission (Net of Cost of Sales and Services)	39	44	47	48	50
Non-Expendable Trusts	2	2	2	4	3
Total	140	159	171	175	177
Total Revenues	$ 1,287	$ 1,342	$ 1,579	$ 2,119	$ 2,293

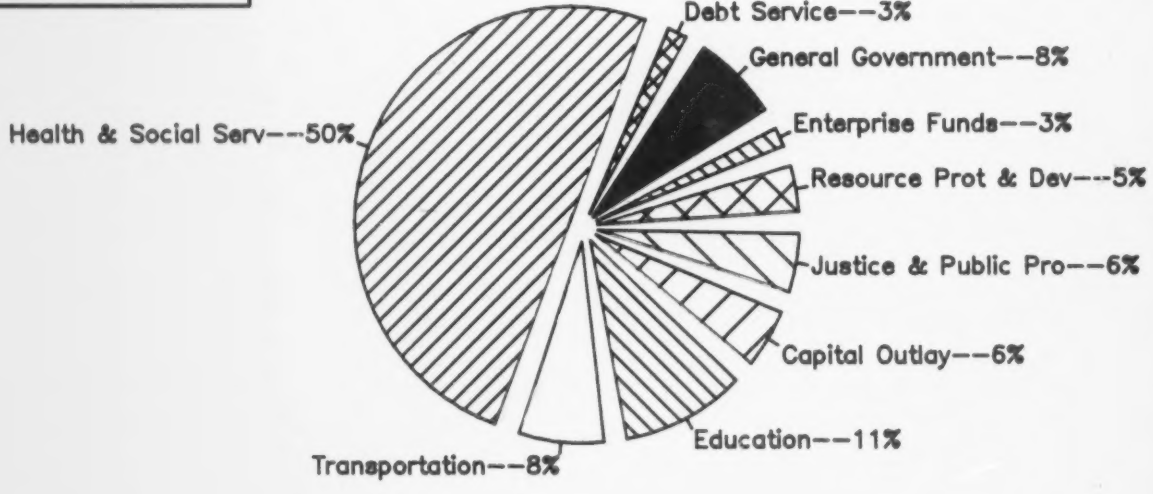
Expenditures by Function	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Governmental and Expendable Trusts:					
General Government	$ 157	$ 159	$ 167	$ 171	$ 176
Administration of Justice and Public Protection	120	122	128	130	139
Resource Protection and Development	58	59	68	79	111
Transportation	145	157	160	172	185
Health and Social Services	465	541	735	1,101	1,149
Education	209	218	237	257	262
Debt Service	47	52	60	61	60
Capital Outlay	101	80	82	85	145
Total	1,302	1,388	1,637	2,056	2,227
Enterprise Funds and Non-Expendable Trusts:					
Turnpike System	23	24	32	36	36
Liquor Commission (Net of Cost of Sales and Services)	18	19	19	19	19
Sweepstakes Commission (Net of Cost of Sales and Services)	9	11	12	12	12
Non-Expendable Trusts	2	2	2	3	3
Total	52	56	65	70	70
Total Expenditures	$ 1,354	$ 1,444	$ 1,702	$ 2,126	$ 2,297

STATE OF NEW HAMPSHIRE
SUMMARY OF REVENUES AND EXPENDITURES
ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

REVENUES BY GROUP TOTAL $ 2.3 Bil.



EXPENDITURES BY FUNCTION TOTAL $ 2.3 Bil.



State of New Hampshire
DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
State House Annex - Room 120
Concord, New Hampshire 03301

PATRICK DUFFY
Commissioner
(603) 271-3201

DONALD S. HILL
Assistant Commissioner
(603) 271-3202

LETTER OF TRANSMITTAL

To: His Excellency the Governor
and the Honorable Council

December 3, 1993

INTRODUCTION

In accordance with the Revised Statutes Annotated (RSA) 21-I:8I(h), I herewith submit the Sixty-Second Comprehensive Annual Financial Report (CAFR), covering the fiscal year ended June 30, 1993. This report has been prepared by the State's Department of Administrative Services. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the State. The general purpose financial statements, considered by management to present fairly and consistently the State's financial position and results of operations, are based on generally accepted accounting principles (GAAP).

The State's CAFR is reported in three major sections in accordance with criteria established by the Governmental Accounting Standards Board (GASB). They are the introductory, financial and statistical sections. The introductory section includes summary financial data and comments on matters of interest to the reader. The financial section includes the general purpose financial statements and notes thereto, as well as combining financial statements. The statistical section contains unaudited statistical trend information, demographic and economic data.

The notes to the financial statements are considered an integral and essential part of adequate disclosure and fair presentation of the general purpose financial statements. The notes include the summary of significant accounting policies applied to the matters relating to the financial position and results of operations of the State. The notes provide significant insight into the financial statements and are necessary to understand the financial statements.

The CAFR presents information on the financial position and operations of the State as one reporting entity. The various agencies, departments, boards, commissions, funds and component units which comprise the State reporting entity are included in this CAFR in accordance with criteria established by the GASB. The criteria, as covered in the general comments section of the notes to financial statements, includes governmental activities and programs where the governing authority, management and accountability significantly influences the various operations as defined by the legal statutes of the State of New Hampshire and GAAP.

ECONOMIC CONDITION AND OUTLOOK

The State of New Hampshire continues to lead the region out of the worst recessionary period since World War II. At a time when taxes are being raised on the national level, taxes in New Hampshire have been cut and, in some cases, eliminated. During fiscal year 1993, New Hampshire's tax structure underwent the most sweeping change in twenty years. The business profits tax (BPT) rate was dropped to its lowest level in fourteen years. Over the 1994 - 1995 biennium, the BPT will be lowered from 8.0% to 7.0%. In addition, by closing loopholes, BPT has become a more equitable tax for small businesses in New Hampshire. The communication tax rate was lowered from 6.0% to 5.5%, and the real estate transfer tax rate decreased from $5.25/$1,000 to $5.00/$1,000 of the selling value. Corporate filing fees were reduced from $200 per year to $35 per year and the savings bank tax was eliminated altogether.

In addition, the State does not levy any income tax or general sales tax. The U.S. Commerce Department's most recent statistics ranked New Hampshire as having the third lowest state and local tax burden in the nation. New Hampshire residents pay an average of $87.80 in state and local taxes per $1,000 of personal income in comparison to $87.60 per $1,000 of personal income by the state ranked number one in the nation for the lowest overall tax burden. New Hampshire remains fundamentally stable in both its tax structure and business climate. This stability has served as a renewed point of attraction for both new and expanding business.

Per capita income rose from $21,596 in 1991 to $22,596 in 1992 to maintain the State's ranking of 6th in the nation. Personal income grew at a rate of 5.2% from 1991 to 1992. This exceeded the inflation rate of 3.7%. New Hampshire's poverty rate is the second-lowest in the nation, according to the U.S. Census Bureau. The number of poor people in the state during 1992 was 8.6% of the population, a little more than half the national average of 14.5%.

The State's unemployment rate was significantly lower than the national rate of 7.1% at June 30, 1993. New Hampshire started the fiscal year with an unemployment rate of 7.6%, but rebounded strongly to close out the fiscal year at 6.5%, the lowest unemployment rate since January, 1990. As of September 1993, New Hampshire's unemployment rate was 5.7% which continued to remain lower than the national rate of 6.4%.

The State's labor force rose 2.2% to 637,350 during the fiscal year. The largest employment sectors in New Hampshire in 1992 were the service sector (26.6%), the wholesale and retail sector (25.4%) and manufacturing (20.0%). Manufacturing in New Hampshire continues to rebound, especially in the area involving high technology.

In 1992, New Hampshire's building activity increased for the first time since 1986. The number of building permits for housing units increased from 3,577 to 3,996. In addition, the quarter ended September 30, 1993 marked the fourth straight quarter of price stability in New Hampshire's real estate market.

Based on these positive economic indicators and the State's philosophy to control the growth of government, tax fairly, and hold spending within our available revenues, New Hampshire will succeed in leading the region out of this recessionary period. Sustained employment opportunities will continue to revitalize the State's industrial, commercial, financial and real estate base. This effort, in combination with innovation, entrepreneurship, and vision can be achieved based on our ability to grow economically in an environment which contains stable long-term energy costs, a quality work force, and a state government that will encourage and assist, rather than hinder, New Hampshire as it moves further into the 90's.

MAJOR INITIATIVES

One of the major initiatives undertaken by the Merrill administration was the revision of one of the state's largest taxes, the business profits tax (BPT). In the past, only 5% of the businesses in New Hampshire were paying 95% of the tax. Many businesses, though they benefited from the state infrastructure, did not pay a tax. The cornerstone of the tax reform measure was the business enterprise tax (BET) which broadened the State's business tax base to include various entities previously unaffected by the State's business profits tax. Business enterprises having more than $100,000 in gross receipts or an enterprise value tax base greater than $50,000 are required to file. The BET is imposed on a base of three components which comprise the measure of an enterprise's value and represent the enterprise's outlays to utilize labor and capital within the state in order to obtain a return. These components are: compensation paid to employees, dividends paid to shareholders, and interest paid or accrued on business debt. Business enterprises subject to BET who are also subject to BPT receive a credit for BET payments on their BPT return. In addition, the threshold for those entities required to file BPT returns was increased from $12,000 in gross business income to $50,000. As previously noted, the BPT rate was lowered over the 1994 - 1995 biennium to 7.5% in fiscal year 1994 and to 7.0% in fiscal year 1995. The net effect of these tax reform measures over the biennium is revenue neutral while meeting the primary objective of broadening the State's business tax base.

The 1994 - 1995 biennial operating budget met two important criteria set forth by Governor Merrill: (1) the budget meets the needs of State government and (2) the budget stays within existing revenues. Reflected in the operating budget is the impact of the business tax legislation and the state employee contract negotiated with the State Employees Association. The $27.5 million two-year state employee pay raise pact signed by Governor Merrill provided for a one - time cash payment based on length of service, in July 1993; a 3.5% pay raise in August, 1993; and another 4.75% percent increase in July, 1994. Fully paid health, dental and prescription insurance was part of the package as well as a 50% discount for state workers taking courses at the state technical colleges. The agreement included a "managed competition" concept which encourages the wise use of medical care. The state employees had been without a contract since July 1, 1991.

In September 1993, Governor Merrill and the Legislature reached a compromise relative to the 1994 - 1995 biennial capital budget which was originally vetoed by the Governor. The Governor vetoed the capital budget due to the level of capital spending proposed by the House and Senate which was subsequently reduced by 10% or $6.8 million. The resulting 1994 - 1995 capital budget totaled $69.5 million for the biennium, of which $58.4 million are General Fund capital appropriations, $9.3 million will be paid from other funds, including the Highway Fund, and the remaining $1.8 million will be raised from federal funds. Excluded from the capital budget was the biennial funding of $21.0 million in State water pollution control grants which will be provided from General Fund revenues per the operating budget rather than from capital bonding as in the previous biennium.

One of Governor Merrill's first acts as the State's Chief Executive was to order the removal of New Hampshire's toll gates. The gates were first installed in October 1990 at Merrimack and Bedford Road. They were installed at the Hooksett toll plaza in June 1991, in Hampton in January 1992 and in Rochester in June 1992. Citing the bad image that the gates give to visitors, Governor Merrill had them removed just one day after his inauguration.

In January, Governor Merrill issued an executive order declaring January 18, Martin Luther King Civil Rights Day. Merrill signed the order urging New Hampshire residents to "reflect on the principles of equality espoused by Martin Luther King, Jr.".

In April, The Governor's Technology Partnership was formed to try to tap into federal funds and to help modernize industrial operations in New Hampshire. The Partnership will develop a blueprint for industrial modernization in the State.

The Department of Resources and Economic Development has put into place partnerships that will diminish the impact of economic downturns in the future. In New Hampshire, we are creating technology manufacturing jobs at a 4.0% rate, which is twice the rate of our nearest competitor among the New England states. The Business Visitation Program helped start local economic initiatives to keep companies from moving out of New Hampshire. Freudenburg-NOK, a German-Japanese consortium with plants in Bristol and Manchester, committed to add more than 100 jobs at its Manchester plant. Allen-Rogers in Laconia and Yield House in North Conway underscore the state's third-largest manufacturing sector, wood products. After considering locations in other states, both decided to remain in New Hampshire and expand by adding in excess of 125 jobs each. Hitchiner Manufacturing, Milford, committed to adding 120 jobs involved with machinery and parts. In April, the Wausau Paper Mills Company completed the purchase of the James River Corporation's manufacturing facilities in Groveton, New Hampshire. The acquisition will increase Wausau's printing and writing capacity by more than 50%. A new four year labor agreement will provide a stable and productive work environment to support Wausau's growth strategy in Groveton.

Governor Merrill held a series of small business roundtables with men and women engaged in business throughout the State for the purpose of learning how our State government can be more responsive to them. Workers' compensation, health care, banking issues, and technology and training were among the issues discussed.

Governor Merrill's Workers' Compensation Reform package resulted in the passage of two separate bills. In June, the Legislature adopted House bill 606, which permits companies to offer this insurance through managed-care programs that limit medical choices. House bill 164, which took effect in July, 1993, dealt with lump sum payments and safety inspections. The legislation also established an insurance fraud investigation unit and a committee to study workers' compensation costs.

In May, Governor Merrill called upon the decision-makers in the state credit process to re-evaluate their roles and to renew their commitment to a credit solution. The Governor initiated a five-point program entitled "The Governor's Program for Credit Availability". The program will operate at five levels of state activity in the lending arena, attacking the problem simultaneously at five points: (1) Legislative Review and Initiatives; (2) Review; (3) State Examiners; (4) Department of Resources and Economic Development Initiatives; and (5) Bankers.

In a first-in-the-nation agreement designed to encourage bank lending, the State Business Finance Authority and the federal Small Business Administration (SBA) joined forces to provide loan guarantees of up to $1.5 million, doubling the amount the Business Finance Authority (BFA) can guarantee on SBA loans. The guarantees cover bank loans, making banks more likely to lend. Banks must take part of the risk by lending amounts greater than the guarantee. In addition during fiscal year 1993, the BFA reached a milestone having provided in excess of $1.0 million in loan guarantees under its Capital Access Program.

A new program announced in March by Governor Merrill allows New Hampshire's home building industry to have increased access to construction financing. The new financing initiative implemented by the New Hampshire Housing Finance Authority is intended to make construction financing available to builders of new moderately priced homes and thus have a positive effect on the State's real estate and construction industries while increasing opportunities for moderate-income families.

The redevelopment of the Pease Air Force Base continues one year after the Pease Development Authority (PDA) took control of 1,702 acres of property. On its first anniversary, the PDA had over 600,000 square feet of facilities either rented or pending, providing a total of 1,194 jobs. The sale of $30.0 million in state general obligation bonds, so one of the world's largest biotechnology firms, Celltech Biologics, Inc. can build a large production facility at the Pease International Tradeport, won unanimous approval from Governor Merrill and the Executive Council. Celltech

Biologics, Inc., which produces innovative monocional antibodies for the world's largest pharmaceutical companies, is expected to employ up to 100 workers. In May of 1993, just three months after inaugurating passenger flights from Pease, Business Express expanded its schedule offering flights between Portsmouth and New York's LaGuardia Airport. In July, Business Express added flights to Newark, New Jersey. Business Express, a regional airline, now operates its largest maintenance facility at Pease and will eventually employ approximately 400 workers.

One of the by-products of a soft economy is the increased demands on the Department of Health and Human Services. It is important that State government continue to meet the needs of the citizens of New Hampshire who require financial assistance. As a result of the increase in case loads over the past two years, the department will receive an additional $10.0 million in General Funds in fiscal year 1994 and $20.0 million in fiscal year 1995. In the previous legislative session, the Medicaid eligibility was improved for all qualified people to 170.0% of the poverty level. In the coming biennium, the eligibility level of children has been raised from one year old to nine years old. More than 1,200 children, previously uninsured, will now be able to access the substantial coverage provided by the Medicaid Program.

New Hampshire had the lowest percentage of children in poverty and second-lowest percentage of low birth-weight babies and births to single teens, according to a report compiled by two national child advocacy groups. New Hampshire was also ranked as the most child-friendly state in the country.

New Hampshire became a national leader in women's rights under a new law that allows police to protect battered women from other states. The anti-stalking law gives legal recognition to out-of-state restraining orders which allow police to arrest abusive spouses and partners who near their victims. Officers can make an arrest within six hours of the harassment even if they don't witness it. A first offense is a misdemeanor punishable by one year in jail. Subsequent offenses are felonies, carrying three-and-a-half to seven year prison terms. In May, Governor Merrill signed a bill establishing a task force that will coordinate resources addressing sexual assault and sexual harassment, and will study ways to avoid problems of sexual assault and harassment at postsecondary institutions in New Hampshire. In June, Governor Merrill signed an anti-crime bill named in memory of Kimberly Goss, the Londonderry woman raped and killed by a repeat sex offender. Under the law, if a person has been convicted of a violent crime and is under probation or parole for it and is arrested for another violent crime, that person will be held without bail until a court hearing.

It was a significant year for legislation affecting approximately 850,000 licensed drivers in New Hampshire and the registered passenger vehicles they operate. The .08 Law, effective January 1, 1994, lowers the state's intoxication benchmark from a blood alcohol concentration of .10 to .08. Perhaps the most far-reaching of the motor vehicle laws is the mandatory auto emissions testing that will take effect January 1, 1995. The biennial testing will affect motorists in Hillsborough, Rockingham, Strafford, and Merrimack counties. Effective January 1, 1994, a child passenger restraint will be required for those under four years of age.

In the first step toward establishing a Total Quality Management (TQM) program for the state government of New Hampshire, Governor Merrill hosted a two-day seminar for State executives on TQM. A statewide TQM council will oversee the implementation of the management style in state government.

For the second time in three years, New Hampshire was the recipient of the "Most Livable State Award" in recognition of its high quality of life. The Morgan Quito Corporation based the award on 43 wide ranging categories which reflect the State's ability to offer its citizens a good basic opportunity for a high quality of life.

FINANCIAL INFORMATION

Information in this report includes financial transactions in the New Hampshire Integrated Financial System (NHIFS) presented on a GAAP basis and comparisons made on an accounting basis prescribed by law or budgetary purposes.

The State's centralized accounting system and agency accounting records are maintained on a modified accrual basis, and converted to a GAAP basis at year end.

Major fiscal responsibilities within the State of New Hampshire are segregated among the following appointed officials:

Department of Administrative Services - The Commissioner of Administrative Services, the Assistant Commissioner/Budget Officer and the Comptroller are responsible for enforcing financial policy guidelines, developing the executive budget, collecting financial data from individual agencies, developing and reviewing appropriation control procedures, and compiling agency financial information in conjunction with the Financial Data Management Office which operates the State's major computer facility.

Legislative Budget Assistant (LBA) - The LBA, an appointed official, is responsible for ensuring that an annual audit is conducted of the State's general purpose financial statements prepared by the Department of Administrative Services as well as providing staff assistance to the finance committees of the State Legislature.

State Treasurer - The State Treasurer, elected by the Legislature, is responsible for executing policy for the management of the State Treasury and depositing and investing state funds as well as the issuance of general obligation and revenue bonds.

State Agencies - Agency Commissioners and Directors are responsible for administering their agencies, in accordance with legislative and executive directives, in order to meet their obligations and effectively service the citizens of the State of New Hampshire.

Budget controls are maintained at the agency level and Division of Accounting Services level by the use of appropriations and encumbrances for purchase orders and contracts with vendors. Open encumbrances are reported as a reserve of fund balance at June 30, 1993. The designated balance of unexpended appropriations is used as a control mechanism to monitor unencumbered amounts.

The State's biennial budget is prepared on a budgetary basis. After the budget is approved by the Legislature and signed by the Governor, budgetary control is maintained by issuing appropriation warrants. Encumbrances, in the form of contracts and purchase orders, are recorded as reductions to available funds for budgetary purposes and subsequently liquidated when expended. Budget and actual revenue and expenditure amounts are recorded in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis, General and Special Revenue Funds.

Unexpended appropriation balances in the governmental funds lapse to Undesignated Fund Balance at the end of the fiscal year unless specifically designated as non-lapsing by law. Capital Projects Fund appropriations lapse two years from date of issue unless extended or designated as non-lapsing by law.

General Government functions are accounted for in the governmental fund types, which are the general, special revenue and capital projects funds. The General Fund undesignated surplus totaled $31.5 million at June 30, 1993 after a $20.0 million transfer to the State's Revenue Stabilization Account. This is the first such transfer to the account since 1989.

Revenues from governmental type sources are as follows:

Governmental and Expendable Trusts: (Dollars in Thousands)	Amount	Percent of State Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
Taxes	$ 1,066,113	46.4%	$ 66,110	6.6%
Fees and Fines	86,584	3.8	4,592	5.6
Grants from Federal Government	739,736	32.3	83,706	12.8
Grants from Private and Local Sources	72,692	3.2	5,071	7.5
Sale of Services and Commodities	69,481	3.0	10,362	17.5
Assessments	17,231	0.8	1,591	10.2
Grants from Other Agencies	16,737	0.7	(485)	(2.8)
Miscellaneous	47,596	2.1	875	1.9
Total	$ 2,116,170	92.3%	$ 171,822	8.8%

Fiscal year 1993 Governmental and Expendable Trust Funds total revenues amounted to $2,116 million, a 8.8% or $172 million increase over fiscal year 1992 total revenues. The significant increases in taxes can be attributed to increases in the business profits tax of $37.1 million, increases in Medicaid enhancement tax (MET) revenues of $11.0 million (1993 MET revenues of $350 million versus $339 million in 1992) and increases in board and care revenues of $9.6 million. Increases in grants from federal government resulted from increased activity and eligibility for federally funded medical and financial aid programs of the Department of Health and Human Services and increases in federally funded highway projects and local airport projects. Increases in sale of service and commodities resulted mainly from increased Medicaid part B ancillary services.

Expenditures from governmental type sources are as follows:

Governmental and Expendable Trusts: (Dollars in Thousands)	Amount	Percent of State Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
General Government	$ 176,423	7.7%	$ 5,802	3.4%
Administration of Justice and Public Protection	138,750	6.0	8,725	6.7
Resource Protection and Development	110,516	4.8	31,429	39.7
Transportation	185,450	8.1	13,700	8.0
Health and Social Services	1,148,557	50.0	47,652	4.3
Education	262,426	11.4	5,034	2.0
Debt Service	59,842	2.6	(864)	(1.4)
Capital Outlay	144,598	6.3	59,214	69.4
Total	$2,226,562	96.9%	$ 170,692	8.3%

Discussion of significant changes:

General Government spending increased 3.4% from FY 1992. The increase in this category was mainly due to the Job Training Partnership Act that resulted in a $5.4 million increase in expenditures over the prior year.

Administration of Justice and Public Protection reflects a 6.7% increase from FY 1992. The increase was due to increased personnel costs for the Superior Courts and the Department of Corrections prison operations, two new building leases for the Department of Employment Security and the on-line imaging project at the Department of Safety.

Resource Protection and Development expenditure increase of 39.7% from FY 1992 is mainly due to $12 million increase in loan activity of the State Revolving Fund Loan Program, activity on the Keefe hazardous waste site, increased expenditures through oil discharge and disbursement fund and funding the Pease Development Authority FY 93 operating budget of $3.8 million.

Transportation reflects a 8.0% increase from FY 1992. This increase reflects expenditures related to state highway projects and local airport projects.

Health and Social Services expenditures reflected a 4.3% increase over FY 1992. The increases were attributable to increased activity in the medical and financial aid programs relative to Medicaid, Foster Care and contracts for mental health community services and community residences.

Education spending reflects an increase of 2.0% from FY 1992 resulting from increases in renovations and repairs for the university system and regional vocational education centers and increases in special education expenditures due to additional federal funding.

Debt Service spending decreased 1.4% compared to FY 1992. This modest decrease in debt service was due to lower interest payments due to refunding of prior issues at lower interest rates.

Capital Outlay spending increased 69.4%. This increase was attributable to a $29.9 million expenditure to Pease Development Authority for the Celltech building and increased expenditures for state highway and local airport projects.

Enterprise Funds:

The State's Enterprise Funds account for the self-supporting activities of State governmental units which render services on a user-charge basis to the general public. These funds account for the activities of the Turnpike System, Liquor Commission, and the Sweepstakes Commission.

Net proceeds from operations of the Liquor Commission and the Sweepstakes Commission are transferred to the General Fund. The Sweepstakes net proceeds are transferred to the General Fund and are subsequently disbursed by the Department of Education to local school districts throughout the State in accordance with a formula established by law.

The New Hampshire Turnpike System operates a self-supporting toll road which presently consists of approximately 90 miles of limited access highway, 30 miles of which are part of the U.S. Interstate Highway System. All revenues derived by the Turnpike System are for operations, maintenance and repair, and the timely payment of principal and interest on debt.

Non-Expendable Trust Funds:

The Non-Expendable Trust Funds account for assets received and expended by the State as trustee.

Schedule of Revenues:

Enterprise Funds and Non-Expendable Trusts: (Dollars in Thousands)	Amount	Percent of State Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
Turnpike System	$ 47,992	2.1%	$ 374	0.8%
Liquor Commission (Net of Cost of Sales/Services)	75,765	3.3	763	1.0
Sweepstakes Commission (Net of Cost of Sales/Services)	49,597	2.2	995	2.0
Non-Expendable Trusts	3,345	0.1	(770)	(18.7)
Total	$ 176,699	7.7%	$ 1,362	0.8%

Schedule of Expenses:

Enterprise Funds and Non-Expendable Trusts: (Dollars in Thousands)	Amount	Percent of State Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
Turnpike System	$ 36,330	1.6%	$ 344	1.0%
Liquor Commission (Net of Cost of Sales/Services)	19,394	0.9	96	0.5
Sweepstakes Commission (Net of Cost of Sales/Services)	12,307	0.5	446	3.8
Non-Expendable Trusts	2,428	0.1	(159)	(6.1)
Total	$ 70,459	3.1%	$ 727	1.0%

Turnpike System revenues were up $0.4 million and expenses were up $0.3 million from FY 1992. The revenue increase reflects greater revenue from charges for sales and services. The increases in expenses are due to increased repair expenses.

Liquor Commission revenues increased $0.8 million due to continued marketing and advertising of products, and an increased gross profit margin as a result of taking advantage of quantity purchase discounts.

Sweepstakes Commission revenues increased $1.0 million and expenses increased $0.4 million for a net gain of $0.6 million.

Component Units:

Component Units are comprised of organizations which are legally separate from the State for which the State is financially accountable, or for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

Debt:

The State may issue general obligation bonds, revenue bonds, and notes in anticipation of such bonds authorized by the Legislature and Governor and Council. The State may also directly guarantee certain authority or political subdivision obligations. The State has entered into lease/purchase agreements, but they are not material in the aggregate. At year-end, the State's general obligation bonds were rated AA by Standard and Poor's Corporation, Aa by Moody's Investors Service, and AA by Fitch Investor Service, Inc. As of December 1993, the rating of the State's general obligation bonds remained unchanged. The State had approximately $610 million in general obligation bonds and $207 million of Turnpike revenue bonds outstanding at year-end.

The State issued Turnpike System refunding revenue bonds in the amount of $100 million in August, 1992 to refund $88 million of outstanding revenue bonds. In September, 1992 the State issued refunding general obligation bonds in the amount of $64 million to refund $55 million of outstanding general obligation bonds and issued general obligation capital improvement bonds in the amount of $40 million. In March, 1993 the State issued $30 million of general obligation taxable bonds, the proceeds of which were used to finance the construction of the Celltech Biologics, Inc. building at the Pease International Tradeport. In April, 1993 the State issued $67 million of general obligation refunding bonds to refund $59 million of outstanding general obligation bonds. In June, 1993 the State issued $21 million of capital appreciation bonds (College Savings Bond Program).

The State does not have any debt limitations, other than bond authorizations, approved by the Legislature. However, there are limitations on contingent debt guarantees by the State, which are as follows:

a. $250 million of principal and interest for subdivision pollution control debt.
b. $ 80 million of principal and interest for aid to businesses and economic development.
c. $ 75 million of principal and interest for school building construction.
d. $ 50 million of principal and interest for Manchester Airport bonds.
e. $ 25 million of principal and interest for James River Corporation.
f. $ 25 million of principal and interest for superfund site cleanup bonds.
g. $ 15 million of principal and interest for closing landfills.
h. $ 13 million of principal and interest for Pease Development Authority bonds.
i. $ 5 million of principal and interest for Water Resources Council debt.

Cash and Investments:

Cash deposits into the State Treasury are coordinated jointly by the State Treasurer and the State agencies. Cash is managed in pooled investment funds in order to maximize interest earnings. Investments are made in accordance with the State statutes. Cash is primarily invested in United States Treasury and agency obligations and interest bearing deposits. For the fiscal year ended June 30, 1993 the average daily balance of pooled investment funds was $272 million with an average yield of 3.4%. Total investment income was $9.2 million for the year.

Insurance:

Risk Management was set up to identify loss exposure for all State real and personal property and for personal injury and to develop and operate risk reduction programs. Therefore, it is necessary to determine cost effective means for protecting against various types of losses. These include self-funding, commercial insurance purchases, risk assumption, and recommendations to the Governor and General Court for actions to be taken through the budget process in order to implement the necessary programs.

Prior to July 1985, the State relied on the doctrine of sovereign immunity. Subsequently, legislation became effective creating the statute "Claims Against the State" in which sovereign immunity was waived to certain limits and would allow certain types of actions and claims to be brought against the State. The limits set by the statute are the basis for risk management programs.

Historically the State has assumed or self insured for fire, property and general liability purposes. This philosophy continues today, but through risk management, insurance is purchased for twenty programs where there are provisions of law allowing for the purchase, and for programs where it has proven beneficial for the general public. These programs included fleet automobile liability, ski area liability for two state owned and operated ski areas, boiler and pressure vessel coverage, watercraft liability, off-highway recreational vehicle liability, aircraft liability, and a faithful performance position schedule bond covering all state employees and officials.

OTHER RELEVANT INFORMATION

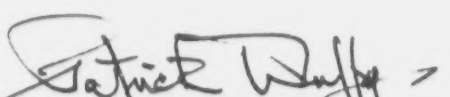
Pursuant to RSA 21-I:8I(h), the State Legislative Budget Assistant may designate a Certified Public Accountant not employed in state service to conduct an annual audit, in accordance with Generally Accepted Auditing Standards, of the State's combined financial statements. Ernst & Young, the designated Certified Public Accountant, has performed an independent audit of the State's financial statements for the fiscal year ended June 30, 1993.

In order to comply with the Single Audit Act of 1984, the Legislative Budget Assistant also contracts for a single audit of the State as a whole, which will include a legal compliance report on all federal funds received by the State. This report, including a schedule of Federal Financial Assistance received by the State and comments on internal accounting controls and compliance with laws, rules and regulations, will be published separately.

CONCLUSION

This report is published in accordance with GAAP and was prepared with the cooperation and assistance of all State agencies. Their continued participation in the preparation of this report and that of Administrative Services personnel is greatly appreciated.

Respectfully submitted,



Patrick Duffy, Commissioner
Department of Administrative Services

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

To the Fiscal Committee of the General Court
State of New Hampshire
Concord, New Hampshire

We have audited the accompanying general purpose financial statements of the State of New Hampshire as of and for the year ended June 30, 1993, as listed in the table of contents. These financial statements are the responsibility of the State of New Hampshire's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Business Finance Authority as included in the "Component Units" section of the general purpose financial statements. The Business Finance Authority reflects total assets of $30,037,853 as of June 30, 1993 and total revenues of $1,102,444, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to data included for the Business Finance Authority, is based solely on the report of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

As more fully described in Note 2, the State of New Hampshire does not have complete financial records to support the amounts included in its General Fixed Assets Account Group. Accordingly, we were unable to examine sufficient evidential matter to support such amounts.

In our opinion, based on our audit and the report of other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had our audit not been limited in scope as described in the third paragraph, the general purpose financial statements referred to in the first paragraph present fairly in all material respects, the financial position of the State of New Hampshire as of June 30, 1993, the results of its operations, and the cash flows of its proprietary and similar trust fund types, for the year then ended, in conformity with generally accepted accounting principles.

As discussed in the "Reporting Entity and General Comments" note to the financial statements, in 1993 the State of New Hampshire changed its method of accounting for the State's Reporting Entity, by partially implementing Government Accounting Standards Board Statement No. 14.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining financial statements and schedule as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New Hampshire. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

We did not examine the data included in the statistical section of the report and, therefore, express no opinion thereon.

Ernst + Young

December 3, 1993

STATE OF NEW HAMPSHIRE
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1993

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE
ASSETS	General	Special Revenue	Capital Projects	Enterprise
Cash and Cash Equivalents (Note 4)	$ 116,014,925	$ 64,790,184	$ (6,646,346)	$ 37,324,126
Investments (Note 4)	2,000,000			14,833,594
Receivables (Net of Allowances for Uncollectibles) (Note 5)	70,297,268	93,124,689	1,043,110	4,378,604
Due from Other Funds (Note 10)	1,277,454	1,642,698		1,353,570
Due from Component Units (Note 10)	36,590,000			
Inventories	3,349,274	1,190,879		14,320,608
Other Assets	75,415			10,601
Loans Receivable (Note 5)		25,327,677		
Restricted Assets:				
Cash and Cash Equivalents (Note 4)				9,552,732
Investments (Note 4)				25,383,536
Due from Primary Government (Note 10)				
Receivables				
Deferred Charges				3,348,701
Fixed Assets (Net of Accumulated Depreciation) (Note 6)				355,343,888
Amounts to be Provided for:				
Payment of Bonds				
Self Liquidating Bonds				
Compensated Absences				
Total Assets	$ 229,604,336	$ 186,076,127	$ (5,603,236)	$ 465,849,960
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Accounts Payable	$ 40,977,997	$ 58,486,330	$ 5,017,728	$ 18,339,821
Accrued Payroll	17,495,556	8,178,240		1,452,668
Due to Other Funds (Note 10)	3,156,170			790,129
Due to Primary Government (Note 10)				
Due to Component Units (Note 10)				
Deferred Revenue (Notes 5 and 10)	43,820,827	29,196,385	1,040,443	2,941,884
Unclaimed Property	3,549,645			
Other Liabilities	1,860,622			4,984,924
Custodial Funds Payable				
General Obligation Bonds Payable - Current (Note 7)				4,038,000
Liabilities Payable from Restricted Assets				5,819,851
General Obligation Bonds Payable (Notes 7)				56,311,270
Revenue Bonds Payable (Note 7)				203,882,915
Compensated Absences Payable (Note 7)				2,597,832
Total Liabilities	110,860,817	95,860,955	6,058,171	301,159,294
FUND EQUITY:				
Investment in General Fixed Assets				
Contributions from Other Funds				9,459,204
Contributed Capital (Net of Amortization) (Note 11)				49,909,312
Retained Earnings				105,322,150
Fund Balances:				
Reserved for Unemployment Compensation Benefits				
Reserved for Various Trust Funds				
Reserved for Encumbrances	15,916,600	111,079,126	16,447,750	
Reserved for Nuclear Property Tax Settlement (Note 16)	17,585,370			
Reserved for Investments	2,000,000			
Reserved for Inventories	3,349,274	1,190,879		
Unreserved (Note 12):				
Designated Balance of Unexpended Appropriations	28,434,249	1,079,981		
Designated for Revenue Stabilization	19,974,884			
Undesignated Surplus (Deficit)	31,483,142	(23,134,814)	(28,109,157)	
Total Fund Equity (Deficit)	118,743,519	90,215,172	(11,661,407)	164,690,666
Total Liabilities and Fund Equity (Deficit)	$ 229,604,336	$ 186,076,127	$ (5,603,236)	$ 465,849,960

SEE NOTES TO FINANCIAL STATEMENTS

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Total (Memorandum Only)		Total (Memorandum Only)
Trust and Agency	(Unaudited) General Fixed Assets	General Long-Term Debt	Primary Government	Component Units	Reporting Entity
$ 15,178,812			$ 226,661,701	$ 2,345,387	$ 229,007,088
276,114,340			292,947,934		292,947,934
16,571,156			185,414,827	297,217	185,712,044
159,902			4,433,624		4,433,624
			36,590,000		36,590,000
			18,860,761		18,860,761
			86,016	1,197,203	1,283,219
			25,327,677	2,158,082	27,485,759
			9,552,732	2,909,245	12,461,977
			25,383,536	24,925,129	50,308,665
				29,777,882	29,777,882
				8,920,390	8,920,390
			3,348,701		3,348,701
	$ 722,545,121		1,077,889,009	5,330,065	1,083,219,074
		$ 477,327,740	477,327,740		477,327,740
		72,779,197	72,779,197		72,779,197
		42,259,690	42,259,690		42,259,690
$ 308,024,210	$ 722,545,121	$ 592,366,627	$ 2,498,863,145	$ 77,860,600	$ 2,576,723,745
			$ 122,821,876	$ 508,952	$ 123,330,828
			27,126,464	149,019	27,275,483
$ 487,325			4,433,624		4,433,624
				36,590,000	36,590,000
29,777,882			29,777,882		29,777,882
			76,999,539	192,488	77,192,027
			3,549,645		3,549,645
1,624,350			8,469,896	2,465,537	10,935,433
96,484,226			96,484,226		96,484,226
			4,038,000	500,000	4,538,000
			5,819,851	1,040,126	6,859,977
		$ 550,106,937	606,418,207	35,283,308	641,701,515
			203,882,915		203,882,915
		42,259,690	44,857,522		44,857,522
128,373,783		592,366,627	1,234,679,647	76,729,430	1,311,409,077
	$ 722,545,121		722,545,121		722,545,121
			9,459,204		9,459,204
			49,909,312	17,371	49,926,683
			105,322,150	1,113,799	106,435,949
170,459,846			170,459,846		170,459,846
9,190,581			9,190,581		9,190,581
			143,443,476		143,443,476
			17,585,370		17,585,370
			2,000,000		2,000,000
			4,540,153		4,540,153
			29,514,230		29,514,230
			19,974,884		19,974,884
			(19,760,829)		(19,760,829)
179,650,427	722,545,121		1,264,183,498	1,131,170	1,265,314,668
$ 308,024,210	$ 722,545,121	$ 592,366,627	$ 2,498,863,145	$ 77,860,600	$ 2,576,723,745

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STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	
	General	Special Revenue	Capital Projects	Expendable Trusts	Total (Memorandum Only)
REVENUES:					
General Property Taxes	$ 378,860				$ 378,860
Special Taxes	528,738,576	$ 189,504,702			718,243,278
Personal Taxes	41,161,369				41,161,369
Business License Taxes	50,360,731	105,126,223			155,486,954
Non-Business License Taxes	4,794,374	48,612,723		$ 97,435,018	150,842,115
Fees	49,195,649	14,491,224			63,686,873
Fines, Penalties and Interest	21,282,149	1,615,110			22,897,259
Grants from Federal Government	114,169,481	624,501,228	$ 1,065,709		739,736,418
Grants from Private and Local Sources	19,432,799	52,860,077	399,491		72,692,367
Rents and Leases	3,856,375				3,856,375
Interest, Premiums and Discounts	3,048,257	2,056,917	1,036	10,063,341	15,169,551
Sale of Commodities	8,499,085	201,870	18,000		8,718,955
Sale of Services	52,013,142	8,748,679			60,761,821
Assessments	15,411,694	1,819,681			17,231,375
Grants from Other Agencies	11,549,841	5,186,687			16,736,528
Miscellaneous	21,081,007	5,220,627		2,268,154	28,569,788
Total Revenues	944,973,389	1,059,945,748	1,484,236	109,766,513	2,116,169,886
EXPENDITURES:					
General Government	149,932,359	25,821,033	669,132		176,422,524
Administration of Justice and Public Protection	109,637,508	25,435,680	3,676,695		138,749,883
Resource Protection and Development	57,389,560	44,443,934	8,682,720		110,516,214
Transportation	13,624,362	166,428,226	5,397,103		185,449,691
Health and Social Services	279,870,220	788,630,218	542,260	79,514,698	1,148,557,396
Education	183,729,925	66,198,343	12,497,648		262,425,916
Debt Service	50,171,466	9,670,579			59,842,045
Capital Outlay	9,761,778	91,271,116	43,565,257		144,598,151
Total Expenditures	854,117,178	1,217,899,129	75,030,815	79,514,698	2,226,561,820
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,856,211	(157,953,381)	(73,546,579)	30,251,815	(110,391,934)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	8,339,307	158,483,843	348,953		167,172,103
Enterprise Fund Transfers In	93,660,896				93,660,896
Operating Transfers Out	(158,195,653)	(8,807,460)	(168,990)		(167,172,103)
Proceeds from Issuance of Bonds	17,346,831	6,839,550	66,319,892		90,506,273
Proceeds from Refunding Bonds	118,684,107	3,716,160			122,400,267
Payments to Refunding Bond Escrow Agent	(118,684,107)	(3,716,160)			(122,400,267)
Total Other Financing Sources (Uses)	(38,848,619)	156,515,933	66,499,855		184,167,169
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	52,007,592	(1,437,448)	(7,046,724)	30,251,815	73,775,235
Fund Balances (Deficit) - July 1	66,735,927	91,652,620	(4,614,683)	142,122,524	295,896,388
Fund Balances (Deficit) - June 30	$ 118,743,519	$ 90,215,172	$ (11,661,407)	$ 172,374,339	$ 369,671,623

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	GOVERNMENTAL FUND TYPES				
	General			Special Revenue	
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
REVENUES:					
General Property Taxes	$ 280,000	$ 378,860	$ 98,860		
Special Taxes	482,137,914	528,910,629	46,772,715	$ 199,678,202	$ 189,504,702
Personal Taxes	38,951,656	41,472,275	2,520,619		
Business License Taxes	51,071,557	50,387,078	(684,479)	106,674,633	104,874,555
Non-Business License Taxes	4,832,740	4,794,374	(38,366)	48,050,200	48,612,723
Fees	40,982,066	49,394,440	8,412,374	14,166,656	14,491,494
Fines, Penalties and Interest	22,637,446	21,270,964	(1,366,482)	2,552,763	1,508,306
Grants from Federal Government	132,759,424	112,790,784	(19,968,640)	672,808,140	624,099,726
Grants from Private and Local Sources	20,690,360	19,508,859	(1,181,501)	53,463,829	52,938,508
Rents and Leases	4,585,552	4,226,384	(359,168)		
Interest, Premiums and Discounts	1,810,680	3,108,257	1,297,577	954,373	2,056,917
Sale of Commodities	4,083,249	8,499,085	4,415,836	265,896	201,870
Sale of Services	40,550,109	52,016,362	11,466,253	18,798,441	16,569,807
Assessments	16,305,810	14,932,063	(1,373,747)	1,961,192	1,819,681
Grants from Other Agencies	55,629,613	48,954,252	(6,675,361)	6,955,350	6,089,386
Miscellaneous	59,700,483	58,949,682	(750,801)	6,087,504	10,863,989
Total Revenues	977,008,659	1,019,594,348	42,585,689	1,132,417,179	1,073,631,664
EXPENDITURES:					
General Government	171,442,086	151,337,116	20,104,970	29,305,197	25,250,978
Administration of Justice and Public Protection	157,843,629	143,989,853	13,853,776	32,174,051	25,328,795
Resource Protection and Development	74,357,800	45,242,085	29,115,715	59,411,720	41,671,471
Transportation	16,587,180	11,474,698	5,112,482	212,213,344	174,638,589
Health and Social Services	299,422,569	281,656,560	17,766,009	833,956,625	794,975,512
Education	188,772,461	182,638,256	6,134,205	83,481,071	65,379,387
Debt Service	50,171,466	50,171,466		9,670,579	9,670,579
Capital Outlay	9,761,778	9,761,778		91,271,116	91,271,116
Total Expenditures	968,358,969	876,271,812	92,087,157	1,351,483,703	1,228,186,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,649,690	143,322,536	134,672,846	(219,066,524)	(154,554,763)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	64,293,602	64,293,602		157,402,936	157,402,936
Operating Transfers Out	(157,751,890)	(157,751,890)		(8,170,317)	(8,170,317)
Miscellaneous	298,768	298,768		1,240,915	1,240,915
Bonds Authorized	3,800,000	3,800,000		13,500,000	13,500,000
Total Other Financing Sources (Uses)	(89,359,520)	(89,359,520)		163,973,534	163,973,534
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(80,709,830)	53,963,016	134,672,846	(55,092,990)	9,418,771
Fund Balances - July 1	120,227,697	120,227,697		110,526,650	110,526,650
Fund Balances - June 30	$ 39,517,867	$ 174,190,713	$ 134,672,846	$ 55,433,660	$ 119,945,421

SEE NOTES TO FINANCIAL STATEMENTS

TOTAL (Memorandum Only)			
Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
	$ 280,000	$ 378,860	$ 98,860
$ (10,173,500)	681,816,116	718,415,331	36,599,215
	38,951,656	41,472,275	2,520,619
(1,800,078)	157,746,190	155,261,633	(2,484,557)
562,523	52,882,940	53,407,097	524,157
324,838	55,148,722	63,885,934	8,737,212
(1,044,457)	25,190,209	22,779,270	(2,410,939)
(48,708,414)	805,567,564	736,890,510	(68,677,054)
(525,321)	74,154,189	72,447,367	(1,706,822)
	4,585,552	4,226,384	(359,168)
1,102,544	2,765,053	5,165,174	2,400,121
(64,026)	4,349,145	8,700,955	4,351,810
(2,228,634)	59,348,550	68,586,169	9,237,619
(141,511)	18,267,002	16,751,744	(1,515,258)
(865,964)	62,584,963	55,043,638	(7,541,325)
4,776,485	65,787,987	69,813,671	4,025,684
(58,785,515)	2,109,425,838	2,093,226,012	(16,199,826)
4,054,219	200,747,283	176,588,094	24,159,189
6,845,256	190,017,680	169,318,648	20,699,032
17,740,249	133,769,520	86,913,556	46,855,964
37,574,755	228,800,524	186,113,287	42,687,237
38,981,113	1,133,379,194	1,076,632,072	56,747,122
18,101,684	272,253,532	248,017,643	24,235,889
	59,842,045	59,842,045	
	101,032,894	101,032,894	
123,297,276	2,319,842,672	2,104,458,239	215,384,433
64,511,761	(210,416,834)	(11,232,227)	199,184,607
	221,696,538	221,696,538	
	(165,922,207)	(165,922,207)	
	1,539,683	1,539,683	
	17,300,000	17,300,000	
	74,614,014	74,614,014	
64,511,761	(135,802,820)	63,381,787	199,184,607
	230,754,347	230,754,347	
$ 64,511,761	$ 94,951,527	$ 294,136,134	$ 199,184,607

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STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	Total (Memorandum Only)		Total (Memorandum Only)
	Enterprise	Non-Expendable Trusts	Primary Government	Component Units	Reporting Entity
OPERATING REVENUES:					
Charges for Sales and Services	$ 360,196,849		$ 360,196,849	$ 4,329,278	$ 364,526,127
Contributions		$ 2,725,464	2,725,464		2,725,464
Interest		494,639	494,639		494,639
Other		124,808	124,808		124,808
Total Operating Revenues	360,196,849	3,344,911	363,541,760	4,329,278	367,871,038
OPERATING EXPENSES:					
Cost of Sales and Services	204,927,650		204,927,650		204,927,650
Personnel Services	19,383,081		19,383,081	2,440,574	21,823,655
Supplies and Materials	1,352,736		1,352,736		1,352,736
Communication Services	386,889		386,889		386,889
Travel	154,541		154,541		154,541
Printing and Binding	1,479,299		1,479,299		1,479,299
Advertising	1,702,449		1,702,449	865,150	2,567,599
Commissions	6,741,513		6,741,513		6,741,513
Heat, Light and Power	1,317,267		1,317,267		1,317,267
Rent	1,749,775		1,749,775		1,749,775
Repairs	5,155,492		5,155,492		5,155,492
Payroll Benefits	5,798,418		5,798,418		5,798,418
Indirect Costs	961,504		961,504		961,504
Enforcement	2,730,000		2,730,000		2,730,000
Benefits and Refunds		1,184,100	1,184,100		1,184,100
Miscellaneous	1,241,983	1,244,385	2,486,368	2,695,191	5,181,559
Depreciation	6,928,299		6,928,299	337,049	7,265,348
Total Operating Expenses	262,010,896	2,428,485	264,439,381	6,337,964	270,777,345
Operating Income (Loss)	98,185,953	916,426	99,102,379	(2,008,686)	97,093,693
NONOPERATING REVENUES (EXPENSES):					
Licenses	2,775,553		2,775,553		2,775,553
Beer Taxes	10,984,381		10,984,381		10,984,381
Interest Revenue	1,873,679		1,873,679		1,873,679
Miscellaneous	2,450,202		2,450,202	(792,988)	1,657,214
Interest on Bonds	(10,770,835)		(10,770,835)		(10,770,835)
Amortization of Bond Issuance Costs	(176,198)		(176,198)		(176,198)
Total Nonoperating Revenues (Expenses)	7,136,782		7,136,782	(792,988)	6,343,794
Income (Loss) Before Operating Transfers	105,322,735	916,426	106,239,161	(2,801,674)	103,437,487
OPERATING TRANSFERS:					
To General Fund	(93,660,896)		(93,660,896)		(93,660,896)
Net Operating Transfers	(93,660,896)		(93,660,896)		(93,660,896)
Net Income (Loss) Before Extraordinary Items	11,661,839	916,426	12,578,265	(2,801,674)	9,776,591
Extraordinary Loss on Advance Refundings	(10,867,957)		(10,867,957)		(10,867,957)
Net Income (Loss)	793,882	916,426	1,710,308	(2,801,674)	(1,091,366)
Add: Depreciation on Fixed Assets Acquired by Grants and Entitlements Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	1,274,405		1,274,405		1,274,405
Increase (Decrease) in Retained Earnings/Fund Balance	2,068,287	916,426	2,984,713	(2,801,674)	183,039
Retained Earnings/Fund Balance - July 1	103,253,863	6,359,662	109,613,525	3,915,473	113,528,998
Retained Earnings/Fund Balance - June 30	$ 105,322,150	$ 7,276,088	$ 112,598,238	$ 1,113,799	$ 113,712,037

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	Total (Memorandum Only)		Total (Memorandum Only)
	Enterprise	Non-Expendable Trusts	Primary Government	Component Units	Reporting Entity
Cash Flows from Operating Activities:					
Operating Income (Loss)	$ 98,185,953	$ 916,426	$ 99,102,379	$ (2,008,686)	$ 97,093,693
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	7,104,497		7,104,497	349,699	7,454,196
Change in Operating Assets and Liabilities:					
Decrease (Increase) in Receivables	241,577	30,729	272,306	(173,513)	98,793
Increase in Inventories	(1,874,190)		(1,874,190)		(1,874,190)
Increase in Notes Receivable				(2,403,684)	(2,403,684)
Decrease (Increase) in Other Assets	2,166		2,166	(17,570)	(15,404)
Increase in Accounts Payable and Other Accruals	407,551		407,551	159,639	567,190
(Decrease) Increase in Deferred Revenue	(263,173)		(263,173)	100,018	(163,155)
Contributions from Other Funds	(858,954)		(858,954)		(858,954)
Net Cash Provided by (Used for) Operating Activities	102,945,427	947,155	103,892,582	(3,994,097)	99,898,485
Cash Flows from Noncapital Financing Activities:					
Transfers to Other Funds	(89,484,862)		(89,484,862)		(89,484,862)
Proceeds from Collection of Licenses and Beer Tax	13,759,934		13,759,934		13,759,934
Proceeds from Bond Issue				25,000,000	25,000,000
Proceeds from Loans with Primary Government				5,400,000	5,400,000
Interest Paid on Bonds				(782,727)	(782,727)
Increase in Original Issue Discount				(216,692)	(216,692)
Increase in Bond Issue Costs				(379,493)	(379,493)
Payments Relating to Federal Grants				(177,102)	(177,102)
Net Cash (Used for) Provided by Noncapital and Related Financing Activities	(75,724,928)		(75,724,928)	28,843,986	(46,880,942)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(34,054,071)		(34,054,071)	(1,757,341)	(35,811,412)
Proceeds from Refunding Bonds	107,055,617		107,055,617		107,055,617
Payments to Refunding Bond Escrow Agent	(107,055,617)		(107,055,617)		(107,055,617)
Proceeds from Loans with Primary Government				30,125,457	30,125,457
Amounts Loaned to Tenant				(8,630,846)	(8,630,846)
Advance from Tenant				2,000,000	2,000,000
Proceeds from Bond Issues				11,000,000	11,000,000
Increase in Contributed Capital	1,083,349		1,083,349		1,083,349
Interest Paid on Revenue and General Obligation Bonds	(17,585,467)		(17,585,467)	(343,026)	(17,928,493)
Principal Paid on Revenue and General Obligation Bonds	(6,759,535)		(6,759,535)		(6,759,535)
Increase in Bond Issuance Costs	(131,567)		(131,567)	(419,979)	(551,546)
Capital Lease Payments				(31,657)	(31,657)
Net Cash (Used for) Provided by Capital and Related Financing Activities	(57,447,291)		(57,447,291)	31,942,608	(25,504,683)

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
COMBINED STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	Total (Memorandum Only)		Total (Memorandum Only)
	Enterprise	Non-Expendable Trusts	Primary Government	Component Units	Reporting Entity
Cash Flows from Investing Activities:					
Purchase of Investments	(71,665,204)	(2,142,902)	(73,808,106)	(54,703,011)	(128,511,117)
Proceeds from Maturities of Investments	73,332,368	2,974,916	76,307,284		76,307,284
Interest and Other Income	4,143,508		4,143,508	851,327	4,994,835
Gain on Sale of Investments	643,512		643,512		643,512
Net Cash Provided by (Used for) Investing Activities	6,454,184	832,014	7,286,198	(53,851,684)	(46,565,486)
Net (Decrease) Increase in Cash and Cash Equivalents	(23,772,608)	1,779,169	(21,993,439)	2,940,813	(19,052,626)
Cash and Cash Equivalents - July 1	70,649,466	1,203,531	71,852,997	2,313,819	74,166,816
Cash and Cash Equivalents - June 30	$ 46,876,858	$ 2,982,700	$ 49,859,558	$ 5,254,632	$ 55,114,190

SEE NOTES TO FINANCIAL STATEMENTS

STATE OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1993

REPORTING ENTITY AND GENERAL COMMENTS

For financial reporting purposes, the State of New Hampshire (State) has included all funds, organizations, account groups, agencies, boards, commissions and authorities, and has considered all potential component units for which the State is financially accountable, and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. Governmental Accounting Standards Board (GASB) Statement No. 14 has set forth criteria to be considered in determining financial accountability. This criteria includes whether the State has appointed a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. Once financial accountability has been determined for a potential component unit, that component unit is either blended into the primary government funds, discretely presented separately from the primary government, or disclosed in the footnotes to the financial statements. According to GASB Statement No. 14, the criteria for determining financial accountability and the related reporting presentation formats referred to above are required to be fully implemented by the State for fiscal years ending after June 30, 1993.

For the fiscal year ended June 30, 1993, the State has partially implemented the criteria set forth in GASB Statement No. 14. The criteria of GASB Statement No. 14 has been fully implemented for three of the State's ten potential component units. The statement will be fully implemented by the State for the fiscal year ending June 30, 1994 for all potential component units as prescribed by GASB Statement No. 14. The following potential component units were not fully evaluated under GASB Statement No. 14 and as a result are not considered part of the reporting entity based upon the determination criteria consistent with that of the prior year:

Maine - New Hampshire Bridge Authority

New Hampshire Community Development Finance Authority

New Hampshire Higher Educational and Health Facilities Authority

New Hampshire Housing Finance Authority

New Hampshire Municipal Bond Bank

New Hampshire Retirement System

University System of New Hampshire (other than net appropriations)

Blended Component Units

These component units are entities which are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the State. They are reported as part of the State and blended into the appropriate funds.

New Hampshire Water Resources Council (Various Fund Types and Account Groups) - The New Hampshire Water Resources Council was created by the Legislature as a public corporation for the purpose of protecting, conserving, managing and providing careful stewardship over all the waters lying within its boundaries. It is comprised of five members to be appointed by the Governor, with the consent of the Executive Council.

REPORTING ENTITY AND GENERAL COMMENTS (Continued)

Discrete Component Units

These component units are entities which are legally separate from the State, but are financially accountable to the State, or whose relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units column of the combined financial statements include the financial data of these entities.

Business Finance Authority of the State of New Hampshire (Proprietary Fund Type) - The Business Finance Authority (BFA) is a body corporate and politic with a governing board of fourteen members. Nine members are appointed by the Governor with the consent of the Executive Council, two are State Representatives, two are State Senators, and the State Treasurer serves ex officio. The State currently guarantees $25 million of BFA's bonds which creates the potential for the BFA to impose a financial burden on the State.

The BFA was established to provide preservation, establishment, and redevelopment of business and industry for the betterment of the economy of the State and its inhabitants, create or preserve employment opportunities, protect the physical environment, preserve or increase the social welfare or economic prosperity of the state or its political subdivisions, and promote the general welfare of the State's citizens. The BFA accomplishes its purposes through various loan programs it offers to the State's businesses and industries. Operations are funded primarily through bond service charge fees and rental income from a building located at an industrial park. The Business Finance Authority was audited by other independent auditors, and their report, dated August 6, 1993, has been previously issued under separate cover.

Pease Development Authority (Proprietary Fund Type) - The Pease Development Authority (PDA) is a body corporate and politic with a governing body of seven members. Four members are appointed by the State and three members are appointed by the City of Portsmouth and the Town of Newington. The State has loaned the PDA $6.6 million for its fiscal 1992 and 1993 operating budgets and also issued $29.9 million of bonds on behalf of the PDA.

The PDA, successor to the Pease Redevelopment Commission (PRC), was established to implement the PRC's comprehensive plan for the conversion and redevelopment of the Pease International Tradeport. The guiding principles of the plan were job creation, fiscal viability, economic development and environmental quality. Operations are funded primarily through rental income and golf course revenues. Pease Development Authority was audited by independent auditors, and their report, dated October 29, 1993, has been previously issued under separate cover.

NOTE 1 - FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS:

Financial Statements:

The financial statements of the State have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Fund Accounting:

Funds are classified into fund types: governmental, proprietary and fiduciary. Each fund type, in turn, is divided into separate funds.

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

NOTE 1 - FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS: (Continued)

GOVERNMENTAL FUND TYPES

General Fund:

The General Fund accounts for all financial transactions not accounted for in any other fund. By law, all revenues received by any department or agency of the State, other than the New Hampshire College of Agriculture and Mechanical Arts, the University System of New Hampshire, the Post Secondary Technical Education building projects revolving fund and revenues received by certain independent financing authorities of the State, are paid at least weekly into the State Treasury. All such revenues, other than the designated revenues described below, are credited to the General Fund. Annual expenditures for all state activities and functions not allocated by law to other funds are charged to the General Fund.

Special Revenue Funds:

The Special Revenue Funds include the following:

Highway Fund: Under the State Constitution, all revenue in excess of the necessary cost of collection and administration accruing to the State from motor vehicle registration fees, operators' licenses, gasoline road toll or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels are appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this State, including the supervision of traffic thereon and for the payment of the interest and principal of bonds issued for highway purposes. All such revenues, together with federal grants-in-aid received by the State for highway purposes are credited to the Highway Fund. While the principal and interest on State highway bonds is charged to the Highway Fund, the assets of this fund are not pledged to such bonds.

Fish and Game Fund: The operations of the State Fish and Game Department, including the operation of fish hatcheries, inland and marine fisheries and wildlife areas, and functions related to law enforcement, land acquisition, and wildlife management and research, are financed through the Fish and Game Fund. Principal revenues of this fund include fees from fish and game licenses, the marine gas tax, penalties and recoveries, and federal grants-in-aid related to fish and game management, all of which is appropriated annually by the Legislature for the use of the Fish and Game Department.

Special Fund: The State allocates to the Special Fund expenditures and revenues of programs which, by statute, operate primarily from specific program revenues or from federal grants-in-aid, including the State social services programs, education assistance programs and the administrative expenses of the Department of Employment Security.

Capital Projects Fund:

The State records in the Capital Projects Fund certain capital improvement appropriations which are or will be primarily funded by the issuance of State bonds or notes, other than bonds and notes for highway or turnpike purposes, or by the application of certain federal matching grants. Also recorded in this Fund are capital improvement appropriations issued by the State for the purpose of funding capital improvements for the University System of New Hampshire (USNH).

PROPRIETARY FUND TYPE

Enterprise Funds:

The State's Enterprise Funds were established to account for the self-supporting activities of State governmental units which render services on a user-charge basis to the general public. These funds account for the activities of the Turnpike System, Liquor Commission, and Sweepstakes Commission.

Turnpike System: The State constructs, maintains and operates transportation toll facilities. The Legislature has established a 10-year state highway construction and reconstruction plan and authorized major expansion and improvement projects as part of a Capital Improvement Program. These include a partial circumferential highway around the City of Nashua and other projects which will provide major improvements to the Central Turnpike from Bedford to Nashua and include new interchanges, widening and toll plaza construction. Additional projects are planned which will provide safety improvements to the existing Turnpike System and increase the Turnpike System's capacity.

NOTE 1 - FINANCIAL STATEMENTS AND DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS: (Continued)

PROPRIETARY FUND TYPE (Continued)

Liquor Commission: Receipts from operations of the Liquor Commission are transferred to the General Fund on a daily basis. The General Fund advances cash to the Liquor Commission for the purchase of liquor inventory. By statute, all liquor and beer sold in the State must be sold through a sales and distribution system operated by the State Liquor Commission, comprised of three members appointed by the Governor with the consent of the Executive Council. The Commission makes all liquor purchases directly from the manufacturers and importers and operates State liquor stores in cities and towns that accept the provisions of the local option law. The Commission is authorized to lease and equip stores, warehouses and other merchandising facilities for liquor sales, to supervise the construction of State owned liquor stores at various locations in the State, and to sell liquor through retail outlets as well as direct sales to restaurants, hotels and other organizations. The Commission also charges permit and license fees for the sale of beverages through private distributors and retailers plus an additional fee on beverages sold by such retailers at the rate of 30 cents per gallon.

Sweepstakes Commission: The State sells lottery games through some 1,300 agents including state liquor stores, licensed racetracks and private retail outlets. Through the sale of instant lottery tickets, Tri-State Megabucks, New Hampshire Cash Lotto, New Hampshire Daily Pick 3 and Pick 4 games and Cash 5, revenue is generated for prize payments and commission expenses, with the net revenue used for aid to education. This net revenue is transferred to the Department of Education in the General Fund and then transferred to the local school districts.

FIDUCIARY FUND TYPE

Trust and Agency Funds:

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in the fiduciary fund type. The fiduciary fund type is comprised of expendable trust funds, non-expendable trust funds, and agency funds. The State's Unemployment Compensation Trust Fund is the major component of the expendable trust funds. The non-expendable trust funds account for assets received and expended by the State as trustee. Agency funds account for assets received by the State as an agent.

ACCOUNT GROUPS

General Fixed Assets: (Unaudited)

General fixed assets acquired for use by the State in the performance of its operations, other than operations accounted for in the proprietary fund type and the non-expendable trust funds, are reflected in the general fixed assets account group at the time of acquisition. As of June 30, 1993, the State has recorded in the general fixed assets account group the cost of general fixed assets based on available historical cost records. Donated fixed assets are recorded at their fair market value at the time donated. Infrastructure assets of the Highway Fund, consisting mainly of highways, roads and bridges are not recorded in the general fixed assets account group. However, infrastructure assets are recorded in the Enterprise Fund for the Turnpike operations.

General Long-Term Debt:

Activities related to general government unmatured long-term general obligation bonds payable, water pollution contract obligations and the cumulative liability for compensated absences are reflected in the General Long-Term Debt Account Group.

COMPONENT UNITS

Component Units are comprised of organizations which are legally separate from the State for which the State is financially accountable, or for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accounts of all Governmental Funds, Expendable Trust Funds and Agency Funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and assets are recognized when measurable and available to finance operations during the year. Expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods or services, except that interest on long-term debt is recognized as an expenditure when it becomes payable. The accounts of the Enterprise Funds, Non-Expendable Trust Funds and proprietary type Component Units are maintained and reported on the accrual basis of accounting.

Interpretation of "Total (Memorandum Only)" Column:

Total columns (memorandum only) have been added to certain statements for the primary government and the reporting entity. The total columns include interfund activity and are not comparable to consolidated financial statements, but are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. The primary government includes blended component units and all funds, organizations, account groups, agencies, boards, commissions and authorities that are not legally separate from the State. The reporting entity includes the primary government and its component units.

Cash Equivalents:

For the purposes of the Statement of Cash Flows, cash equivalents represent short term investments with maturity dates within three months of the date acquired by the State.

Inventories:

Consumable inventories are stated at average cost. Sweepstakes game tickets are stated at the lower of cost (first-in, first-out method) or market.

Restricted Assets:

The proceeds of Turnpike System 1987 and 1990 revenue bond series and 1991 and 1992 revenue bond refunding series, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by the bond resolution adopted by the Legislature on November 9, 1987. The "revenue bond construction account" is used to report those proceeds of the revenue bond issuance that are restricted for use in construction. The "revenue bond interest debt service account" and "revenue bond principal debt service account" are used to segregate resources accumulated for debt service payments on the given maturity dates. The "revenue bond debt service reserve account" is used to report resources set aside to make up potential future deficiencies in the revenue bond interest debt service account and revenue bond principal debt service account. The "revenue bond insurance reserve account" is used to report the amount that is available to insure against risks that would otherwise be covered by policies of insurance. The "revenue bond general reserve account" is used to report resources set aside to meet deficiencies in revenues, to fund asset renewals and replacements, to pay Turnpike general obligation bonds, or for any other lawful purpose of the Turnpike System. The "revenue bond special redemption account" would be used to report any monies not otherwise required by the bond resolution to be deposited or applied, including excess proceeds after the completion of a project. The "revenue bond rebate account" would be used to report any excess of interest earned on nonpurpose investment (as defined in section 148 of the internal revenue code of 1986, as amended).

Fixed Assets - General (Unaudited):

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Interest costs incurred during construction are not capitalized. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the State. Assets in the general fixed assets account group are not depreciated. Presently, the State does not have complete financial records to support the amounts included in its general fixed asset account group.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fixed Assets - Enterprise:

Fixed Assets related to the Enterprise Funds are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Depreciation is computed using the straight-line method over the fixed assets' estimated useful lives which are as follows: Infrastructure - 50 years; Buildings - 20 to 40 years; Land Improvements - 20 years; Building Improvements - term of lease; and Equipment - 3 to 10 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Fixed assets purchased or constructed by other funding sources are recorded at cost and offset by an increase to "Contributions from Other Funds" or "Contributed Capital, Net of Amortization".

Deferred Revenue:

Deferred revenue represents monies received or revenues accrued which have not been earned or do not meet the "available" criterion for recognition under the modified accrual basis of accounting. The deferred revenue in the governmental fund type has primarily resulted as an offset to long-term loans receivable and federal funds received in advance of authorized expenditures.

Compensated Absences:

Every continuing full-time employee in the State classified service is entitled to annual and sick leave with full pay on the basis of the employee's scheduled work week and years of service. Annual and sick leave is computed at the end of each completed month of service. Employees rendering seasonal or temporary service in excess of six months are entitled to annual and sick leave at the same rate for time actually worked. Accrued compensatory time must be taken within one year from the date the time is earned.

Annual and sick leave is cumulative for not more than the prescribed days and will not lapse. The maximum annual accrual ranges from 12 to 24 days for annual leave and 15 days for sick leave. The maximum cumulative accrual ranges from 30 to 48 days for annual leave and from 90 to 120 days for sick leave. At the end of each fiscal year, additional annual leave (Bonus Days) is computed based on the amount of sick leave taken during the year. The maximum annual accrual for bonus days is four days. There is no limit on the cumulative accrual for bonus days.

Encumbrances:

Contracts and purchasing commitments are recorded as encumbrances when the contract or purchase order is executed. Upon receipt of goods or services the encumbrance is liquidated and the expenditure and liability are recorded. Unliquidated encumbrances are reported in the Reserved for Encumbrances account.

Designated for Revenue Stabilization:

Per RSA 9:13-e, a revenue stabilization account was established in the General Fund. At the close of each fiscal biennium, any General Fund undesignated surplus will be transferred to the designated for revenue stabilization account. The transfer to the account is limited to one-half of the potential maximum balance allowable under paragraph V of RSA 9:13-e, II. In addition, the cumulative balance of the designated for revenue stabilization account at the end of any biennium is limited to five percent of the actual General Fund unrestricted revenues. Any amount in excess of five percent must be transferred back to General Fund undesignated surplus. In the event of a General Fund undesignated deficit at the close of a fiscal biennium, the Comptroller will notify the fiscal committee and the Governor and request a transfer from the designated for revenue stabilization account of sufficient funds to the extent available, to reduce or eliminate the deficit. Such a transfer may be made only if the General Fund incurs an operating budget deficit for the most recently completed fiscal biennium and the General Fund's unrestricted revenues for the fiscal biennium are less than the budget forecast. The amount of the transfer cannot exceed a sum equal to the lower of the amount of the deficit or the unrestricted revenue shortfall. The designated for revenue stabilization account cannot be used for any purpose other than deficit reduction or elimination without specific approval of two-thirds of each house of the Legislature and the Governor.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Grants:

Certain federal grants made on an advance drawdown basis, are recorded as deferred revenue when received and revenue when the expenditures are incurred. Other federal grants made on a reimbursement basis are recorded as receivables and revenues when the related expenditures are incurred.

Capital Outlay:

This expenditure category represents equipment purchases for all funds. In addition to equipment purchases, the Highway Fund's capital outlays represent expenditures for the 10-year state highway construction program.

Bond Discounts, Premiums and Issuance Costs:

In governmental fund types, bond discounts, premiums and issuance costs are recognized in the period the bond proceeds are received. Bond discounts and issuance costs for the proprietary fund type are deferred and amortized over the term of the bonds. Bond discounts are amortized using the effective interest method, and bond issuance costs are amortized using the straight line method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

Interfund and Intrafund Transactions:

The State accounts for interfund and intrafund transactions as described below:

Reimbursements - Various departments charge fees on a user basis for such services as centralized data processing, accounting and auditing, purchasing, personnel and maintenance. These fees are not considered material and are recorded as revenue by the servicing department and as expenditures by the user department. Other material reimbursement items, however, initially made from one fund properly applicable to another are recorded as expenditures in the reimbursing fund and as expenditure reductions in the fund reimbursed.

Capital Projects:

The State records the resources obtained and used for the acquisition, construction or improvement of certain capital facilities in the Highway Fund and the Capital Projects Fund. Encumbrances are recorded when contracts are executed. Expenditures are recorded, and encumbrances are liquidated, as incurred.

Resources obtained to finance capital projects include federal grants and general obligation bonds. General obligation bonds are recorded as a liability in the Long-Term Debt Account Group, and as other financing sources in the funds that receive the proceeds.

Since expenditures are recorded as incurred, and the proceeds of bonds are recorded when received, the Undesignated Surplus in the Capital Projects Fund reflects a deficit.

Capital projects of the University System are recorded in the Capital Projects Fund until completion of the project. Upon issuance of the general obligation bonds, the liability and amounts to be provided for payment of the bonds are recorded in the Long-Term Debt Account Group. The State pays all debt service on these bonds. However, the State is reimbursed by the University System for the debt service on self-liquidating bonds.

Budget Control and Reporting:

The statutes of the State of New Hampshire require the Governor to submit a biennial budget to the Legislature. This budget consists of three parts: Part I is the Governor's program for meeting all expenditure needs as well as estimating revenues to be received. There is no constitutional or statutory requirement that the Governor propose or the Legislature adopt a budget that does not resort to borrowing. Part II is a detailed breakdown of the budget at the department level for appropriations to meet the expenditure needs of the government. Part III consists of draft appropriation bills for the appropriations made in the proposed budget. This budget is prepared and adopted for the following Budgetary Funds: General Fund, Special Revenue Funds (Special Fund, Highway Fund, Fish and Game Fund), Capital Projects Fund and Enterprise Funds. The Fiduciary Fund Type is not budgeted. A detailed description of these funds and their functions is explained in Note 1 - Financial Statements and Descriptions of Funds and Account Groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budget Control and Reporting: (Continued)

In addition to the enacted biennial budget, the Governor may submit supplemental appropriation requests necessary to meet expenditures due to laws enacted subsequent to the general budget appropriation.

Financial control procedures are maintained by both the executive and legislative branches of government. The Executive Branch, represented by the Commissioner of the Department of Administrative Services, is directed to continually monitor the State's financial operations, needs, and resources, and to maintain a system of governmental cost accounting. The Legislative Branch, represented by the Fiscal Committee, the Joint Legislative Capital Budget Overview Committee, and the Office of the Legislative Budget Assistant, monitors compliance with the budget and the effectiveness of budgeted programs.

A Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual-Budgetary Basis, General and Special Revenue Funds, is presented as part of the General Purpose Financial Statements.

The State issues a supplemental financial report on a budgetary basis.

NOTE 3 - RECONCILIATION OF FUND EQUITY - BUDGETARY TO GAAP:

The following schedule reconciles fund equity of the various funds of the primary government at June 30, 1993, for differences between the budgetary accounting methods and generally accepted accounting principles (GAAP):

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	
	General Fund	Special Revenue Funds	Capital Projects Fund	Enterprise Funds	Trust and Agency	Total (Memorandum Only)
Fund Equity at June 30, 1993 (Budgetary)	$ 174,190,713	$ 119,945,421	$ 95,613,743	$ 166,251,243	$ 179,650,427	$ 735,651,547
Adjustments and Reclassifications:						
Receivables	5,235,500	54,368,736				59,604,236
Accounts Payable and Accrued Liabilities	(56,730,641)	(67,452,060)	(3,474,466)	(3,869,932)		(131,527,099)
Transfer from General Fund to Liquor	(2,309,355)			2,309,355		
Transfer from General Fund to Special	(1,642,698)	1,642,698				
Elimination of Bonds Authorized		(18,289,623)	(103,800,684)			(122,090,307)
Fund Equity (Deficit) at June 30, 1993 (GAAP)	$ 118,743,519	$ 90,215,172	$ (11,661,407)	$ 164,690,666	$ 179,650,427	$ 541,638,377

In addition to the biennial operating budget, the Legislature adopts authorizations for the issuance of general obligation bonds. The expenditures of the funds obtained thereby are accounted for in the Capital Projects Fund and Enterprise Fund for the Turnpike System. These activities are not presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis, General and Special Revenue Funds.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS:

PRIMARY GOVERNMENT

The State pools cash and investments, except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments and restricted assets are included on the accompanying balance sheets under the captions Cash and Cash Equivalents and Investments.

Deposits:

The following statutory requirements and Treasury Department policies have been adopted to minimize risk associated with deposits.

New Hampshire Revised Statutes Annotated (RSA) Chapter 6:7 as amended (1987) establishes the policy the State Treasurer must adhere to when depositing public monies. The statute restricts deposits to certain types of banking institutions and limits the amounts that may be on deposit with a particular bank at any one time. In addition, all depositories used by the State must be approved, at least annually, by Governor and Council.

RSA Chapter 6-B:2 as amended (1985) requires the State Treasurer to submit quarterly financial reports detailing depository activity to the Governor and Council, the Commissioner of Administrative Services and the Legislative Fiscal Committee.

The Treasury Department has adopted a policy of formally evaluating the condition of its depositories on a quarterly basis. The State Treasurer is not required to collateralize bank deposits. However, during fiscal year 1993, the Treasury Department collateralized deposits at each of its major depositories. Collateral is principally in the form of U.S. Treasury direct obligations.

Deposits are classified as to credit risk by the three categories described below:

Category 1 Fully insured or collateralized with securities held by the State or its agent in the State's name.

Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the State's name.

Category 3 Uncollateralized.

At June 30, 1993 the State's deposit accounts, listed by credit risk category, are shown in the following schedule. The total bank balance represents the total amounts on deposit as reported by the banks. The carrying amount represents the balances per the State's records. The principal difference in demand deposits is outstanding checks which have not cleared the bank as of June 30, 1993.

	Categories			Total Bank Balance	Carrying Amount
	1	2	3		
Pooled Deposits:					
Demand Deposits (Interest Bearing)	$ 2,306,832	$ 6,000,000	$ 116,789,024	$ 125,095,856	$ 95,715,945
Money Market Accounts	133,467		4,912,287	5,045,754	5,045,753
Savings Accounts	170,246		7,152,466	7,322,712	7,322,712
Certificates of Deposit			120,959	120,959	120,959
Sub Total	2,610,545	6,000,000	128,974,736	137,585,281	108,205,369
Restricted Deposits:					
Demand Deposits			9,533,670	9,533,670	9,533,670
Money Market Accounts			19,062	19,062	19,062
Sub Total			9,552,732	9,552,732	9,552,732
Total Deposits	$ 2,610,545	$ 6,000,000	$ 138,527,468	$ 147,138,013	$ 117,758,101

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments:

The following statutory requirements and Treasury Department policies have been adopted to ensure reasonable rates of return on investments while minimizing risk factors.

RSA Chapter 6:8 sets the policy the State Treasurer must adhere to when investing State funds. With the approval of Governor and Council, the State Treasurer must invest in obligations of the United States Government, in obligations which are legal investments for savings banks and trust companies, in all types of savings accounts, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in certificates of deposit of state or federally chartered banking institutions within New Hampshire, or in certificates of deposit of national banks within the Commonwealth of Massachusetts.

The financial condition of each bank in which or through which investments are made, are evaluated by the Treasury Department on a quarterly basis. Banks through which repurchase agreements are written maintain their collateral in an investment book entry account with the Federal Reserve. That collateral is not separate from the banks' assets. However, securities used for collateral are segregated from the bank's investment account and are kept free of liens, charges or claims of third parties. Repurchase agreements represent 2.3% of the State's investment portfolio at June 30, 1993. The State Treasurer is prohibited by statute from entering into reverse repurchase agreements.

Some United States Government Obligations are classified as Cash and Cash Equivalents on the balance sheet because their original maturities are less than three months. For purposes of the notes to the financial statements, United States Government Obligations are categorized as investments in accordance with GASB Statement 3.

In accordance with GASB Statement 3, investments are classified as to risk by the three categories described below:

Category 1 Insured or registered in the State's name, or securities held by the State or its agent in the State's name.

Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.

Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name.

	Categories			Carrying	Market
	1	2	3	Amount	Value
Pooled Investments:					
Stocks and Bonds	$ 17,942,678			$ 17,942,678	$ 18,806,366
Repurchase Agreements			$ 5,124,174	5,124,174	5,124,174
United States Government Obligations	96,611,726			96,611,726	97,038,288
Institutional/Mutual Funds (Primarily U.S. Government Obligations)			53,823,757	53,823,757	53,823,757
Subtotal	114,554,404	$ -0-	58,947,931	173,502,335	174,792,585
Restricted Investments:					
Repurchase Agreements			5,000,000	5,000,000	5,000,000
United States Government Obligations	20,383,536			20,383,536	20,949,800
Subtotal	$ 20,383,536	$ -0-	$ 5,000,000	25,383,536	25,949,800
United States Government Obligations (funds on deposit in the Federal Unemployment Trust Fund)				156,000,365	156,000,365
Mutual Funds (Deferred Compensation Plan)				64,112,536	64,112,536
N.H. Public Deposit Investment Pool				12,082,406	12,082,406
Automated Treasury Cash Reserve				3,576,414	3,576,414
Subtotal				235,771,721	235,771,721
Total Investments				$ 434,657,592	$ 436,514,106

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments of the Deferred Compensation Plan are stated at market value. All other investments are stated at cost.

The following is a summary of the State's cash on hand, deposits and investments which reconciles to the balance sheet captions (including restricted assets) Cash and Cash Equivalents and Investments:

Cash on Hand	$ 2,130,210
Carrying Amount of Deposits	117,758,101
Carrying Amount of Investments	434,657,592
Total Cash, Cash Equivalents and Investments	$ 554,545,903

At June 30, 1993, the Capital Projects Fund had an overdrawn cash account amounting to $6,646,346. The overdraft represents a liability to other funds and not to a depository institution.

COMPONENT UNITS

Credit and Market Risks of Cash and Cash Equivalents:

	Categories			Total Bank Balance	Carrying Amount
	1	2	3		
Pooled Deposits:					
Demand Deposits (Interest Bearing)	$ 351,664	$ 1,802,106	$ 160,527	$ 2,314,297	$ 2,192,897
Money Market Fund	152,290			152,290	152,290
Subtotal	503,954	1,802,106	160,527	2,466,587	2,345,187
Restricted Deposits:					
Demand Deposits	181,168	1,967,854		2,149,022	2,148,939
Money Market Fund	760,306			760,306	760,306
Subtotal	941,474	1,967,854		2,909,328	2,909,245
Total Deposits	$ 1,445,428	$ 3,769,960	$ 160,527	$ 5,375,915	5,254,432
Cash on Hand					200
Total Cash and Cash Equivalents					$ 5,254,632

Credit and Market Risks of Investments:

	Categories			Carrying Amount	Market Value
	1	2	3		
Restricted Investments:					
Stocks and Bonds	$ 5,987,119			$ 5,987,119	$ 6,001,539
United States Government Obligations	1,978,526			1,978,526	1,994,593
Institutional/Mutual Funds			$ 16,959,484	16,959,484	16,938,819
Total Investments	$ 7,965,645	$ -0-	$ 16,959,484	$ 24,925,129	$ 24,934,951

NOTE 5 - RECEIVABLES AND LOANS RECEIVABLE:

PRIMARY GOVERNMENT

The following is a summary of receivables at June 30, 1993:

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	
	General Fund	Special Revenue Funds	Capital Projects Fund	Enterprise Funds	Trust and Agency	Total
Taxes:						
Business Profits	$ 14,078,338					$ 14,078,338
Meals and Rooms	8,540,658					8,540,658
Estate and Legacy	5,338,899					5,338,899
Tobacco	3,458,137					3,458,137
Communications	2,913,897					2,913,897
Real Estate Transfer	2,682,475					2,682,475
Gasoline Road Toll		$ 9,326,561				9,326,561
Beer				$ 1,130,588		1,130,588
Sub Total	37,012,404	9,326,561		1,130,588		47,469,553
Other Receivables:						
Turnpike System				1,030,444		1,030,444
Liquor Commission				1,175,200		1,175,200
Sweepstakes Commission				1,042,372		1,042,372
Unemployment Trust Fund					$ 16,083,831	16,083,831
Board and Care	8,166,568					8,166,568
Federal Grants	14,031,627	66,568,051				80,599,678
Local Grants	1,336,515	4,027,611				5,364,126
Due From Cities and Towns		915,978	$ 1,040,443			1,956,421
Miscellaneous	9,750,154	12,286,488	2,667		487,325	22,526,634
Total	$ 70,297,268	$ 93,124,689	$ 1,043,110	$ 4,378,604	$ 16,571,156	$ 185,414,827

The following is a summary of loans receivable at June 30, 1993:

The State Water Pollution Control Revolving Loan Fund ("State Revolving Fund"), established through RSA 486:14, provides loans and other assistance to local communities for financing waste water treatment facilities. The State Revolving Fund was authorized through the Federal Clean Water Act of 1988 and is initially funded through a federal capitalization grant program to states which includes a state matching funds requirement equal to 20% of the capitalization grant funding. As of June 30, total loans outstanding, as recorded in the Special Fund, amounted to $25.3 million offset by a corresponding amount of deferred revenue. All loan agreements executed under the State Revolving Fund follow federal requirements and require approval from Governor and Council. Principal and interest repayments on the loans will occur over a period not to exceed 20 years and will be credited directly to the State Revolving Fund enabling the fund balance to be available in perpetuity.

COMPONENT UNITS

At June 30, 1993, the Business Finance Authority had $2.6 million of accounts and notes receivable. Loan repurchase agreements of $2.2 million accounted for 85% of the balance. The remainder of accounts and notes receivable consists of trade receivables, secondary market loans and a mortgage receivable.

The Pease Development Authority had accounts and notes receivable of $9.1 million at June 30, 1993. Loan receivables from tenants for $8.6 million accounted for 95% of the balance. The remainder of the balance was made up of trade and interest receivables.

NOTE 6 - FIXED ASSETS:

The following is a summary of fixed assets by category at June 30, 1993 (amounts expressed in thousands):

	PRIMARY GOVERNMENT		
	Enterprise Funds	(Unaudited) General Fixed Assets Account Group	Component Units
Land and Land Improvements	$ 71,056	$ 242,853	
Buildings and Building Improvements	10,620	340,685	$ 5,396
Equipment	20,121	139,007	757
Construction in Progress	67,348		566
Infrastructure	281,115		
Sub Total	450,260	722,545	6,719
Less: Accumulated Depreciation	(94,916)		(1,389)
Total	$ 355,344	$ 722,545	$ 5,330

General Fixed Assets Account Group: (Unaudited)

The following is a summary of changes in the general fixed assets account group during the fiscal year (amounts expressed in thousands):

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
Land and Land Improvements	$ 234,821	$ 8,317	$ (285)	$ 242,853
Buildings and Building Improvements	327,098	13,726	(139)	340,685
Equipment	130,445	16,213	(7,651)	139,007
Total	$ 692,364	$ 38,256	$ (8,075)	$ 722,545

In accordance with Financial Accounting Standards Board Statement No. 62, interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. In fiscal year 1993, net interest cost capitalized in the Turnpike System - Enterprise Fund amounted to $6,048,000 represented by interest expense of $6,583,000 less interest income of $535,000.

NOTE 7 - LONG-TERM DEBT:

PRIMARY GOVERNMENT

Bonds Authorized and Unissued:

Bonds authorized and unissued amounted to $418,190,307 at June 30, 1993. The proceeds of the bonds will be applied to the following funds when issued:

Highway Fund	$ 18,289,623
Capital Projects Fund	103,800,684
Turnpike System	296,100,000
Total	$ 418,190,307

Turnpike System:

The Legislature has established a 10 year highway construction and reconstruction plan for the Turnpike System to be funded from Turnpike revenues such as toll receipts, and other income derived or to be derived by the State from the operation of the Turnpike System and all rights to receive the same, including grants, loans and other contributions from any governmental unit, investment earnings, and the proceeds of any borrowing or of any sale or disposition or insurance of any assets of the Turnpike System. This legislation also authorized the Governor and Executive Council to sell up to $550 million of revenue bonds to support this project. The State has issued $200 million of revenue bonds for this project.

Advanced Refunding:

On March 15, 1991, the State defeased certain Turnpike revenue bonds. The proceeds of the new bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments from 2004 forward on the old bonds. These bonds are considered to be defeased, from 2004 forward, and the applicable portion of the liability for those bonds has been removed from the Enterprise Fund - Turnpike System. The amount of defeased bonds still outstanding at June 30, 1993 amounted to $75.8 million.

On July 15, 1985 the State defeased certain general obligation bonds and on July 1, 1989 the State defeased certain general obligation bonds and general obligation refunding bonds. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The amount of defeased bonds still outstanding at June 30, 1993 amounted to $25.8 million and $56.8 million, respectively.

Changes in Long-Term Liabilities:

The following is a summary of the changes in the long-term liabilities as reported by the primary government during the fiscal year:

General Long - Term Debt Account Group	Balance July 1, 1992	Accretion	Increases	Decreases	Balance June 30, 1993
General Obligation Bonds	$ 474,630,479	$ 5,785,691	$ 212,682,470	$ 142,991,703	$ 550,106,937
Compensated Absences	40,360,501		1,899,189		42,259,690
Water Pollution Contracts	214,845			214,845	-0-
Total	$ 515,205,825	$ 5,785,691	$ 214,581,659	$ 143,206,548	$ 592,366,627
Enterprise Funds					
General Obligation Bonds	$ 63,382,847		$ 8,163,803	$ 11,197,380	$ 60,349,270
Revenue Bonds	200,723,342		100,210,000	93,625,427	207,307,915
Total	$ 264,106,189	$ -0-	$ 108,373,803	$ 104,822,807	$ 267,657,185

NOTE 7 - LONG-TERM DEBT: (Continued)

Changes in Long-Term Liabilities: (Continued)

~ *On August 1, 1992,* the State advanced refunded $9,065,000 of Turnpike revenue bonds dated November 1, 1987 that had an average interest rate of 7.7% and $79,065,000 of Turnpike revenue bonds dated March 15, 1990 that had an average interest rate of 7.3% with $100,210,000 of revenue refunding bonds that have an average interest rate of 5.2%. The net proceeds of $95,825,284 (net of original bond discount of $3,351,940 and payment of $1,032,776 in underwriting fees and other issuance costs) plus $3,204,663 of debt service and general reserve account monies were used to purchase U. S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments from 1999 forward on the refunded bonds. As a result, these bonds are considered to be defeased, from 1999 forward, and the applicable portion of the liability for those bonds has been removed from the Turnpike Enterprise Fund.

The advance refunding reduced the Turnpike Enterprise Fund's debt service payments over the next 28 years by $7,707,698 and resulted in a long-term economic gain (difference between the present values of the debt service payments on the old and new debt) of $3,637,496, but an extraordinary accounting loss of $10,021,663 was recorded for the year ended June 30, 1993.

~ *On September 1, 1992,* the State issued $103,610,000 in general obligation bonds which included $40,000,000 in capital improvement and $63,610,000 in refunding bonds. The capital improvement bonds mature on September 1, 1993 through 2007 and 2012 with interest rates ranging from 3.0% to 6.0% The remaining $63,610,000 in general obligation refunding bonds, which mature on September 1, 1993 through 2007 and 2012, have interest rates ranging from 3.0% to 6.0% advanced refunded $55,345,000 of general obligation bonds, which included portions of the February and July 1985 series, the May 1986 series and the December 1988 series that had interest rates ranging from 7.0% to 8.5%. The refunding bonds net proceeds of $61,170,792 (net of original bond discount of $1,594,197 and payment of $845,011 in underwriting fees and other issuance costs) were used to purchase U. S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments from 1997 forward, and the applicable portion of the liability for those bonds has been removed from the General Long-Term Debt Account Group and the Turnpike Enterprise Fund.

The advance refunding reduced the debt service payments over the next 15 years in the General, Highway and Turnpike funds by $1,686,534, $29,474, and $20,411 respectively. For the year ended June 30, 1993 the advance refunding resulted in a long-term economic gain of $1,672,487, $29,136, and $20,742 in each of the three funds respectively and an extraordinary accounting loss of $127,992 was recorded to the Turnpike Enterprise Fund.

~ *On March 15, 1993,* the State issued general obligation taxable bonds (Pease Development Authority) in the amount of $29,990,000 at an average interest rate of 6.5%. These bonds are comprised of serial bonds of $16,740,000 and Term Bonds of $13,250,000. The maturity dates of the serial bonds range from July 1, 1996 through July 1, 2007 and the term bonds mature July 1, 2012.

~ *On April 15, 1993,* the State advanced refunded $59,460,000 of general obligation bonds, which included portions of the May 1986 series, the July 1989 series, the December 1989 series, the June 1991 series, and the November 1991 series with interest rates ranging from 6.5% to 7.0% with $66,730,000 of general obligation refunding bonds that have an average interest rate of 4.8%. The net proceeds of $65,464,252 (net of original bond discount of $649,469 and payment of $616,279 in underwriting fees and other issuance costs) were used to purchase U. S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments from 1998 forward, and the applicable portion of the liability for those bonds has been removed from the General Long-Term Debt Account Group and the Turnpike Enterprise Fund.

The advance refunding reduced debt service payments over the next 18 years in the General, Highway and Turnpike Funds by $2,783,269, $119,905, and $336,929 respectively. For the year ended June 30, 1993 the advanced refunding resulted in a long-term economic gain of $1,548,168, $66,696, and $187,413 in each of the three funds respectively and an extraordinary accounting loss of $718,302 was recorded to the Turnpike Enterprise Fund.

NOTE 7 - LONG-TERM DEBT: (Continued)

Changes in Long-Term Liabilities: (Continued)

~ *On June 4, 1993,* the State issued general obligation capital improvement bonds (College Savings Bond Program) in the amount of $20,516,273 at an average interest rate of 5.5 percent. These bonds are capital appreciation bonds with interest being accrued and compounded semiannually in the General Long-Term Debt Account Group. At June 30, 1993, the annual interest accretion was $126,310. The interest is not paid until the bonds mature on July 15 in the years 1998 through 2012, at which time the expenditure will be reflected on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund types and Expendable Trust Funds.

Capital Appreciation Bonds:

Three of the State's general obligation capital improvement bonds issued since November 1990 represent capital appreciation bonds (College Savings Bond Program) with interest being accrued and compounded semiannually in the General Long-Term Debt Account Group. At June 30, 1993 the cumulative interest accretion since issuance for all three capital appreciation bonds is approximately $14.9 million. The interest is not paid until the bonds mature at which time the expenditure will be reflected on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.

Debt Maturity:

All bonds issued by the State, except for the two $100 million turnpike revenue bonds issues discussed earlier in this note, are general obligation bonds which are backed by the full faith and credit of the State. Interest rates on these issues range from 2.7% to 8.5%. The anticipated source of repayment and annual maturities are as follows (in thousands):

	SOURCE OF PRINCIPAL PAYMENTS					DEBT SERVICE		
	GOVERNMENTAL FUND				ENTERPRISE	TOTAL ALL FUNDS		
Payable June 30,	General Fund	Highway Fund	Self Liquidating	Sub Total	Turnpike System	Principal	Interest	Total
1994	$ 29,192	$ 6,866	$ 2,538	$ 38,596	$ 7,463	$ 46,059	$ 40,202	$ 86,261
1995	28,297	5,306	3,098	36,701	7,789	44,490	37,753	82,243
1996	34,313	6,351	4,076	44,740	7,940	52,680	36,635	89,315
1997	35,611	4,333	4,160	44,104	8,401	52,505	33,876	86,381
1998	34,400	4,331	3,920	42,651	8,413	51,064	31,622	82,686
Thereafter	347,124	30,811	57,413	435,348	231,988	667,336	255,412	922,748
Subtotal	508,937	57,998	75,205	642,140	271,994	914,134	435,500	1,349,634
Unamortized Discount	(76,962)	(12,645)	(2,426)	(92,033)	(4,337)	(96,370)		(96,370)
Total	$ 431,975	$ 45,353	$ 72,779	$ 550,107	$ 267,657	$ 817,764	$ 435,500	$ 1,253,264

Turnpike System principal debt service includes general obligation principal debt service of $60.3 million, serial revenue bond principal debt service of $62.8 million and term revenue bond principal debt service of $148.8 million. Actual principal paid to bond holders by the bond registrar is different from the above debt service schedule the State Treasurer is required to pay to the bond registrar because a portion of the Turnpike System revenue bonds is composed of term bonds versus serial bonds. For term bonds, the State Treasurer is required to pay the bond registrar the annual principal debt service, but the bond registrar is not required to pay principal to the bond holders until the single date of maturity.

NOTE 7 - LONG-TERM DEBT: (Continued)

COMPONENT UNITS

Changes in Long-Term Liabilities:

In November, 1992, the Business Finance Authority issued state guaranteed general obligation taxable bonds in the amount of $25,000,000 with interest rates ranging from 3.4% to 8.6%. The maturity dates of the bonds range from November 1, 1993 to November 1, 2017.

In August, 1992, the Pease Development Authority issued state guaranteed airport revenue bonds in the amount of $10,000,000 with interest rates ranging from 4.2% to 8.4%. The maturity dates of the bonds range from August 1, 1995 to August 1, 2012.

In April, 1993, the Pease Development Authority issued state guaranteed airport revenue bonds in the amount of $1,000,000. The maturity dates are in seventy-two consecutive monthly installments, commencing May 1, 1995, with interest due monthly at a rate of 6.5% through March 31, 1995 and thereafter at 1.5% plus prime at March 31, 1995.

Debt Maturity:

Payable June 30,	Business Finance Authority	Pease Development Authority	Principal	Interest	Total
1994	$ 500,000		$ 500,000	$ 2,484,823	$ 2,984,823
1995	500,000	$ 22,848	522,848	2,462,108	2,984,956
1996	500,000	447,395	947,395	2,420,635	3,368,030
1997	500,000	476,934	976,934	2,363,019	3,339,953
1998	500,000	507,108	1,007,108	2,300,521	3,307,629
Thereafter	22,500,000	9,545,715	32,045,715	21,068,834	53,114,549
Subtotal	25,000,000	11,000,000	36,000,000	33,099,940	69,099,940
Unamortized Discount	(216,692)		(216,692)		(216,692)
Total	$ 24,783,308	$ 11,000,000	$ 35,783,308	$ 33,099,940	$ 68,883,248

NOTE 8 - EMPLOYEE BENEFIT PLANS:

NEW HAMPSHIRE RETIREMENT SYSTEM

Plan Description

The State participates in the New Hampshire Retirement System (the Plan). The Plan is a cost-sharing multiple-employer Public Employees Retirement System (PERS) established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401 (a) and 501 (a) of the Internal Revenue Code. The Plan is a contributory defined-benefit plan providing service, disability, death and vested retirement benefits to members and beneficiaries. The Plan covers substantially all full-time state employees, public school teachers and administrators, permanent firefighters and police officers within the State of New Hampshire. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. The Plan is divided into two membership groups. Group I consists of State or local employees or teachers. Group II consists of firefighters and police officers.

Group I - Members at age 60 qualify for a normal service retirement allowance based on years of creditable service and average final compensation (AFC). The yearly pension amount is 1/60 (1.67%) of average final compensation multiplied by years of creditable service. AFC is defined as the average of the three highest salary years. At age 65, the yearly pension amount is recalculated at 1/66 (1.5%) of AFC multiplied by years of creditable service. Members in service with 10 or more years creditable service who are between age 50 and 60 or members in service with at least 20 or more years of service, whose combination of age and service is 70 or more, are entitled to a retirement allowance with appropriate graduated reduction based on years of creditable service.

Group II - Members who are age 60, or members who are at least age 45 with at least 20 years of creditable service can receive a retirement allowance at a rate of 2.5% of AFC for each year of creditable service, not to exceed 40 years.

Members of both groups may qualify for vested deferred allowances, disability allowances and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation and/or service.

The State's current year covered payroll was $289.0 million and the State's total payroll was $324.6 million. The amount of current year payroll and number of employees covered by the PERS to which the State contributes on behalf of other employers are $592.3 million and 17,322, respectively.

Contributions Required and Made

The Plan is financed by contributions from the members, the State and local employers, and investment earnings. In fiscal year 1993, by Statute, Group I members contributed 5.0% of gross earnings. Group II members contributed 9.3% of gross earnings. Contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the System's actuary and are expressed as a percentage of gross payroll and paid by the employers. The State funds 100% of the employer cost for all state employees, and 35% of the employer cost for teachers, firefighters, and police officers employed by political subdivisions. The State does not participate in funding the employer cost of other political subdivision employees.

The following table shows the percentages of gross payroll contributed and the amounts contributed by the State, other participating employers, and employees as determined by the plan.

	PERCENT OF COVERED PAYROLL (FY 1993 rates)			AMOUNT CONTRIBUTED (in thousands)		
Type of Employee	Employee Share	State's Share	Direct Employer's Share	Employee Share	State's Share	Direct Employer's Share
State and Other Employees	5.00%	2.65%	2.65%	$ 24,100	$ 7,186	$ 5,970
Teachers	5.00%	0.98%	1.81%	24,305	4,873	8,844
Firefighters	9.30%	3.57%	6.63%	4,511	2,072	3,029
Police Officers*	9.30%	1.77%	3.30%	9,885	3,826	2,630
Total Contributed				$ 62,801	$ 17,957	$ 20,473

*Approximately 30% of the police officers are state employees.

NOTE 8 - EMPLOYEE BENEFIT PLANS: (Continued)

Funding Status

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB Statement 5, *Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers*, that must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases and any step-rate benefits. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers to (a) assess the PERS funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

The Plan's total pension benefit obligation and net assets available for pension benefits as of June 30, 1993 are as follows (in millions) (the State and other participant portions are not determinable):

Net assets available for pension benefits, at market value	$ 1,865
Total pension benefit obligation	1,797
Net assets in excess of pension benefit obligation	$ 68

The measurement of the total pension benefit obligation is based on the June 30, 1993 actuarial valuation. The funding method used was the open group aggregate funding method as required by Chapter 55, Laws of 1992. In addition, demographic assumptions were revised to better reflect the actual experience of the Plan.

In addition to the regular pension benefit obligation as noted above, additional liabilities exist for the post retirement Group II medical subsidy of approximately $76.6 million as of June 30, 1993. Net assets available for these additional benefit obligations (at market value) is $71.5 million at June 30, 1993. The medical insurance subsidy was established pursuant to the Internal Revenue Code 401 (h) subtrust. The subtrust receives 25% of Group II employer contributions until the health insurance subsidy is fully funded. The general trust fund is reimbursed from the "special account" set aside fund established pursuant to RSA 100-A:16, II(h).

The State's fiscal year 1993 required contribution to the Plan represents 46.7% of the total current year actuarially determined contribution requirements of all employers covered by the pension plan.

The New Hampshire Retirement System began compiling historical trend information in their 1987 Comprehensive Annual Financial Report. When issued, the fiscal year 1993 Report will include seven years of trend data. The information will eventually include 10 years of data and will be useful in assessing the pension plan's progress in accumulating sufficient assets to pay pension benefits as they become due.

During 1993 and as of June 30, 1993, the Plan held no securities issued by the State or other related parties.

DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 8 - EMPLOYEE BENEFIT PLANS: (Continued)

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the Plan), subject only to the claims of the State's general creditors. Participants' rights under the Plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the Plan and does not have a duty with regard to the investment decisions made by the individual employees who possess an expectancy in receiving funds equivalent to the balance in their specific plan accounts. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The assets of the Plan, which are primarily invested in fixed and variable rate annuity contracts with insurance companies, totaled $64.1 million at June 30, 1993.

HEALTH CARE INSURANCE FOR RETIRED EMPLOYEES

In addition to providing pension benefits, RSA 21-I:30 specifies that the State provides certain health care insurance benefits for retired employees. These benefits include group hospitalization, hospital medical care, and surgical care. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pension on a periodic basis rather than a lump sum. These and similar benefits for active employees are authorized by RSA 21-I:30 and provided through an insurance company whose premiums are based on the benefits paid during the year. The State recognizes the cost of providing these benefits by paying the entire annual insurance premiums with minor contributions offset by members and a portion paid by the Group II medical subsidy. The State paid approximately $12.9 million of annual insurance premiums for approximately 5,990 State retirees receiving a periodic pension benefit for the fiscal year ended June 30, 1993.

NOTE 9 - LEASE COMMITMENTS:

The State has lease commitments for space requirements which are accounted for as operating leases. These leases, subject to continuing appropriation, extend forward a number of years and may contain rent escalation clauses and renewal options. Rent expenditures for fiscal year 1993 were approximately $9.2 million. The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 1993:

Payable June 30,	Amount
1994	$ 5,185,757
1995	3,914,606
1996	2,334,119
1997	1,437,284
1998	699,234
Later Years	1,744,361
Total	$ 15,315,361

NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES:

Due From/To Other Funds in the primary government consist of the following at June 30, 1993:

RECEIVABLE FUND	AMOUNT	PAYABLE FUND	AMOUNT
General Fund	$ 1,277,454	Sweepstakes Commission	$ 790,129
		Trust and Agency Funds	487,325
Special Fund	1,642,698	General Fund	1,642,698
Liquor Commission	1,353,570	General Fund	1,353,570
Trust and Agency Funds	159,902	General Fund	159,902
Total	$ 4,433,624	Total	$ 4,433,624

Due to/Due from Component Units:

On March 31, 1993, Governor and Council approved the issuance of $29,990,000 in State general obligation bonds, the proceeds of which were loaned to the Pease Development Authority (PDA) pursuant to RSA 12-G:27 and an executed loan agreement between the State and the PDA. The proceeds of the bond issue will be used to finance the project costs of a facility to be constructed at Pease which will be subleased to Celltech Biologics, Inc. The debt service costs to be incurred by the State relative to the bond issue are to be repaid by PDA. In accordance with the official statement accompanying the bond issue and more specifically outlined through the loan agreement, debt payments through January 1, 1996 will be funded by bond proceeds escrowed to a capitalized interest account.

As of June 30, 1993, the State has loaned the PDA $6,600,000 in accordance with RSA 12-G:27,III. The loan proceeds were used for the PDA's operating budgets for the fiscal years ended June 30, 1992 and 1993 pursuant to Chapter 355:111, Laws of 1991 and Chapter 260:13, Laws of 1992. The repayment of this loan shall be made when due from available funds of the PDA in accordance with RSA 12-G:27,III.

As of June 30, 1993, the $36,590,000 in aggregate loans to the PDA has been offset by a corresponding amount of deferred revenue in the General Fund.

In accordance with the loan and trust agreements executed between the State, the PDA and Celltech Biologics, Inc., certain trust accounts have been established by the PDA with the State relative to the $29,990,000 loaned to the PDA. The assets of these trusts are recorded in the primary government's Fiduciary Fund Type with a corresponding liability, "Due to Component Units". As of June 30, 1993 the balance of these trust accounts amounted to $29,777,882.

NOTE 11 - CONTRIBUTED CAPITAL:

The State records the costs associated with projects of the Turnpike System, where the Federal Government or other non-Turnpike System sources have provided funding, as an increase in fixed assets (i.e. land, construction in progress and infrastructure) and as contributed capital under fund equity on the Turnpike System balance sheet. In accordance with GAAP, the treatment of the costs of such projects that are funded by the Federal Government or other non-Turnpike System sources will not have an impact on the retained earnings of the Turnpike System.

The following schedule shows the change in contributed capital during fiscal year 1993:

Net Contributed Capital at July 1, 1992	$ 50,100,368
Activity during Fiscal Year 1993:	
Federal Government	7,514
Highway Fund	835
Municipal Government	1,075,000
Less: Amortization of Contributed Capital	(1,274,405)
Net Contributed Capital at June 30, 1993	$ 49,909,312

NOTE 12 - GENERAL FUND UNRESERVED FUND BALANCE:

The following schedule identifies the significant components of the General Fund's Unreserved Fund Balance (in thousands):

Designated Balance of Unexpended Appropriations:	
Reserves from legislatively adopted self-sustaining and revolving funds:	
Department of Environmental Services (DES):	
Oil Pollution Control Fund	$ 5,915
Oil Discharge and Disposal Fund	5,817
Hazardous Waste Clean-up Fund	2,861
Dam Maintenance Bureau	1,855
Other DES Funds	4,020
Sub Total	20,468
Other agencies' self-sustaining and revolving funds	5,682
Significant Non-Lapsing Deficit Appropriations:	
DHHS - Multiple Offenders Program	(1,682)
Other Net Non-Lapsing Appropriations (budgetary appropriations remaining at June 30, after consideration of net accounts payable)	3,966
Total Designated Balance of Unexpended Appropriations	28,434
Designated for Revenue Stabilization	19,975
Undesignated Surplus	31,483
Total Unreserved Fund Balance	$ 79,892

Based upon fiscal year 1993 General Fund unrestricted revenue in the amount of $799.0 million, a transfer of $20.0 million was made from the General Fund undesignated fund balance to the designated for revenue stabilization account. As required by RSA 9:13-e, II the amount of the transfer was limited to one-half of five percent of the General Fund unrestricted revenue for the most recently completed fiscal year.

NOTE 13 - GOVERNMENTAL FUNDS UNDESIGNATED DEFICITS:

Highway Fund:

The Highway Fund undesignated deficit was $15.6 million at June 30, 1993. This deficit exists because the Reserve for Encumbrances, $95.8 million as of June 30, 1993, has been charged to the Undesignated Fund Balance. Federal reimbursements on the encumbered contracts are not credited to Undesignated Fund Balance until the expenditures are incurred. As of June 30, 1993, the obligated federal reimbursement on the Reserve for Encumbrances amounted to approximately $62.2 million. Other Highway Fund projects and their related encumbrances will be funded by proceeds from bonds authorized but not issued as of June 30.

Special Fund:

The Special Fund undesignated deficits were $10.0 million and $7.7 million at June 30, 1993 and June 30, 1992 respectively. These deficits exist because the Reserve for Encumbrances, $14.8 million and $12.0 million as of June 30, 1993 and June 30, 1992 respectively, have been charged to the Undesignated Fund Balance. Federal reimbursements on these encumbered contracts are not credited to Undesignated Fund Balance until the expenditures are incurred. As of June 30, 1993 and June 30, 1992, the obligated federal reimbursement on the Reserve for Encumbrances amounted to approximately $12.8 million and $10.4 million respectively.

NOTE 13 - GOVERNMENTAL FUNDS UNDESIGNATED DEFICITS: (Continued)

Capital Projects Fund:

The Capital Projects Fund undesignated deficit was $28.1 million at June 30, 1993 compared to an undesignated deficit of $20.9 million at June 30, 1992. Historically, large deficits exist because project expenditures were recorded when incurred, and the proceeds of bonds to finance these expenditures were recorded when received, which was normally after the project had been substantially completed. The State has changed its bonding practices. In order to cover capital project expenditures more expediently and reduce the negative impact to the undesignated fund balance, bonds are issued for capital projects when they are in process versus when they are substantially completed. However, the deficit increased in fiscal year 1993 due to a year end timing difference between the period of project expenditures and issuance of bonds.

NOTE 14 - SEGMENT INFORMATION:

PRIMARY GOVERNMENT

Segment financial information for the Enterprise Funds for the year ended June 30, 1993 is presented below:

	Turnpike System	Liquor Commission	Sweepstakes Commission	Total
Operating Revenues	$ 45,515,042	$ 208,578,882	$ 106,102,925	$ 360,196,849
Cost of Sales and Services		147,936,380	56,991,270	204,927,650
Depreciation	5,748,070	1,119,300	60,929	6,928,299
Operating Income	20,132,339	41,248,506	36,805,108	98,185,953
Operating Interfund Transfers Out		56,370,767	37,290,129	93,660,896
Extraordinary Loss on Advance Refundings	10,867,957			10,867,957
Beer Tax Revenue		10,984,381		10,984,381
Increase in Retained Earnings	2,068,287			2,068,287
Net Fixed Assets Additions	33,672,232	260,346	121,493	34,054,071
Net Working Capital	38,230,009	1,430,390	13,278	39,673,677
Total Assets	429,945,811	28,079,345	7,824,804	465,849,960
Long-Term Liabilities	261,075,171	1,430,390	286,456	262,792,017
Total Fund Equity	155,231,462	9,459,204		164,690,666

COMPONENT UNITS

Segment financial information for the Component Units for the year ended June 30, 1993 is presented below:

	Business Finance Authority	Pease Development Authority	Total
Operating Revenues	$ 1,102,444	$ 3,226,834	$ 4,329,278
Operating Expenses	681,384	5,656,580	6,337,964
Depreciation	107,734	229,315	337,049
Operating Income (Loss)	421,060	(2,429,746)	(2,008,686)
Decrease in Retained Earnings	(142,102)	(2,659,572)	(2,801,674)
Net Fixed Assets Additions	45,716	1,711,625	1,757,341
Current Assets	2,803,165	2,055,232	4,858,397
Current Liabilities	796,207	990,214	1,786,421
Net Working Capital	2,006,958	1,065,018	3,071,976
Total Assets	30,037,853	47,822,747	77,860,600
Long-Term Liabilities	24,283,308	49,619,575	73,902,883
Total Fund Equity (Deficit)	4,902,232	(3,771,062)	1,131,170

NOTE 15 - CONTINGENT AND LIMITED LIABILITIES:

Bonds and First Mortgages:

The State of New Hampshire is contingently liable for bonds sold by municipalities, school districts and for first mortgages on industrial and recreational property which contain the guarantee of the State of New Hampshire and amount to $409,091,385. The following table shows the composition of contingent and limited liabilities as of June 30, 1993.

	Principal	Interest	Total
N.H. Water Supply and Pollution Control Commission, RSA 485-A:7 (Legal Limit $250,000,000 - principal and interest)	$ 124,638,500	$ 69,114,974	$ 193,753,474
Business Finance Authority RSA 162-A:22 - Economic Development (Legal Limit $80,000,000 - principal plus interest)	31,866,000	22,871,175	54,737,175
N.H. School Building Authority RSA 195-C:2 (Legal Limit $75,000,000 - principal and interest)	30,917,500	14,639,740	45,557,240
Business Finance Authority Ch 265, Laws of 1989 and Ch 8, Laws of 1992 - Airport (Legal Limit $50,000,000 - principal plus interest)	42,730,000	49,954,405	92,684,405
Landfill Closures/Hazardous Waste Sites Cleanup RSA 149-M:24 (Legal Limit $15,000,000 - principal and interest)	1,191,000	712,994	1,903,994
Pease Development Authority RSA 12-G:27 (Legal Limit $13,410,000 - principal plus interest)	11,000,000	9,362,997	20,362,997
Water Resources Council RSA 481:19 (Legal Limit $5,000,000 - principal and interest)	85,000	7,100	92,100
Total	$ 242,428,000	$ 166,663,385	$ 409,091,385

The State of New Hampshire has a limited liability for the New Hampshire Housing Finance Authority and the New Hampshire Municipal Bond Bank. Both entities are required to maintain a bond reserve fund. A request for an appropriation may be submitted to the Legislature for a sum required to maintain the bond reserve fund at the established bond reserve fund requirements. Amounts so requested are subject to appropriation by the Legislature and do not constitute a debt of the State and no such appropriations have ever been requested.

Effective June 1, 1990, RSA 12-G:14 authorized the Pease Development Authority (PDA) to issue bonds for the development of the Pease Air Force Base. Per RSA 12-G:27, the Governor and Council may award an unconditional State guarantee for the principal, not to exceed $50 million, and interest. As of June 30, 1993, the State has issued $36,590,000 in general obligation bonds on behalf of PDA in lieu of a State guarantee in accordance with RSA 12-G:27 III. The general obligation debt issued on behalf of PDA reduces the legal limit of $50,000,000 on debt guaranteed by the State to $13,410,000.

Effective April 13, 1992 RSA 162-I:9 (Chapter 46, Laws of 1992) authorized the Business Finance Authority to issue bonds to improve the environmental systems of the James River Corporation. The Governor and Council may award an unconditional State guarantee for the principal not to exceed $25 million.

Effective May 18, 1992, RSA 33:3 (Chapter 275, Laws of 1992) authorized State municipalities to issue Superfund Site Cleanup Bonds in order to pay all response costs associated with the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). The Governor and Council may award an unconditional state guarantee for the principal, not to exceed $25 million, and interest.

NOTE 15 - CONTINGENT AND LIMITED LIABILITIES: (Continued)

Federal Grants:

The State receives federal grants which are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with terms and conditions of grant agreements and applicable regulations, including expenditure of resources for allowable purposes. Any disallowances resulting from the audit may become the liability of the State. The State estimates that the ultimate disallowance pertaining to these grants, if any, will be immaterial to its overall financial condition.

NOTE 16 - LITIGATION:

The State, its agencies and employees are defendants in numerous lawsuits involving such matters as funding for social welfare programs, contract claims, negligence and 42 U.S.C. 1983. Although the Attorney General is unable to predict the ultimate outcome of the majority of these suits, which seek approximately $50 million, in the opinion of the Attorney General and the Commissioner of Administrative Services, the likelihood of such litigation resulting, either individually or in the aggregate, in final judgments against the State which would materially affect its financial position is remote. Accordingly, no provision for such ultimate liability, if any, has been made in the financial statements.

On April 16, 1993, the State reached a settlement relative to the lawsuit filed by the Attorney Generals of Massachusetts, Rhode Island, and Connecticut challenging the constitutionality of the State's nuclear property tax. Under the terms of the settlement agreement, the State will refund $17.6 million of the nuclear property tax collected in fiscal years 1992 and 1993, through tax credits of $8.8 million in each of the fiscal years 1994 and 1995. As a result of the settlement agreement the State established a $17.6 million reserve at June 30, 1993.

NOTE 17 - SUBSEQUENT EVENT:

On December 1, 1993, the State issued $40,000,000 of general obligation capital improvement bonds. The average interest rate for these serial bonds is 4.83% and interest will be payable commencing March 1, 1994 and semiannually thereafter until maturity. The bonds mature September 1, 1994 through September 1, 2013.

COMBINING FINANCIAL STATEMENTS AND SCHEDULE

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1993

ASSETS	Highway Fund	Fish and Game Fund	Special Fund	Total
Cash and Cash Equivalents	$ 71,300,137	$ 4,026,235	$ (10,536,188)	$ 64,790,184
Receivables (Net of Allowances for Uncollectibles)	30,750,042	1,008,896	61,365,751	93,124,689
Due from Other Funds			1,642,698	1,642,698
Inventories	760,586	430,293		1,190,879
Loans Receivable			25,327,677	25,327,677
Total Assets	$ 102,810,765	$ 5,465,424	$ 77,799,938	$ 186,076,127
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	$ 14,836,656	$ 499,322	$ 43,150,352	$ 58,486,330
Accrued Payroll	4,085,706	402,055	3,690,479	8,178,240
Deferred Revenue	3,003,457		26,192,928	29,196,385
Total Liabilities	21,925,819	901,377	73,033,759	95,860,955
FUND BALANCES:				
Reserved for Encumbrances	95,750,441	563,929	14,764,756	111,079,126
Reserved for Inventories	760,586	430,293		1,190,879
Unreserved:				
Designated Balance of Unexpended Appropriations		1,079,981		1,079,981
Undesignated Surplus (Deficit)	(15,626,081)	2,489,844	(9,998,577)	(23,134,814)
Total Fund Balances	80,884,946	4,564,047	4,766,179	90,215,172
Total Liabilities and Fund Balances	$ 102,810,765	$ 5,465,424	$ 77,799,938	$ 186,076,127

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	Highway Fund	Fish and Game Fund	Special Fund	Total
REVENUES:				
Special Taxes			$ 189,504,702	$ 189,504,702
Business License Taxes	$ 105,126,223			105,126,223
Non-Business License Taxes	42,738,102	$ 5,874,621		48,612,723
Fees	12,130,179	620,994	1,740,051	14,491,224
Fines, Penalties and Interest	1,003,700	93,621	517,789	1,615,110
Grants from Federal Government	84,121,302	3,179,011	537,200,915	624,501,228
Grants from Private and Local Sources	2,593,510	143,631	50,122,936	52,860,077
Interest, Premiums and Discounts	1,808,099	88,323	160,495	2,056,917
Sale of Commodities	90,881	61,931	49,058	201,870
Sale of Services	8,738,139		10,540	8,748,679
Assessments	325,036		1,494,645	1,819,681
Grants from Other Agencies	504,285	400,035	4,282,367	5,186,687
Miscellaneous	833,744	49,959	4,336,924	5,220,627
Total Revenues	260,013,200	10,512,126	789,420,422	1,059,945,748
EXPENDITURES:				
General Government			25,821,033	25,821,033
Administration of Justice and Public Protection	1,137,263		24,298,417	25,435,680
Resource Protection and Development		9,993,505	34,450,429	44,443,934
Transportation	166,428,226			166,428,226
Health and Social Services			788,630,218	788,630,218
Education			66,198,343	66,198,343
Debt Service	9,364,686	12,900	292,993	9,670,579
Capital Outlay	86,877,528	769,052	3,624,536	91,271,116
Total Expenditures	263,807,703	10,775,457	943,315,969	1,217,899,129
Deficiency of Revenues Under Expenditures	(3,794,503)	(263,331)	(153,895,547)	(157,953,381)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In		637,143	157,846,700	158,483,843
Operating Transfers Out	(1,276,527)		(7,530,933)	(8,807,460)
Proceeds from Issuance of Bonds	6,839,550			6,839,550
Proceeds from Refunding Bonds	3,716,160			3,716,160
Proceeds to Refunding Bond Escrow Agent	(3,716,160)			(3,716,160,
Total Other Financing Sources	5,563,023	637,143	150,315,767	156,515,933
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,768,520	373,812	(3,579,780)	(1,437,448)
Fund Balances - July 1	79,116,426	4,190,235	8,345,959	91,652,620
Fund Balances - June 30	$ 80,884,946	$ 4,564,047	$ 4,766,179	$ 90,215,172

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 1993

ASSETS	Turnpike System	Liquor Commission	Sweepstakes Commission	Total
Current Assets:				
Cash and Cash Equivalents	$ 30,185,298	$ 1,170,621	$ 5,968,207	$ 37,324,126
Investments	14,833,594			14,833,594
Receivables (Net of Allowances for Uncollectibles)	1,030,444	2,305,788	1,042,372	4,378,604
Due from Other Funds		1,353,570		1,353,570
Inventories		13,790,162	530,446	14,320,608
Other Assets			10,601	10,601
Total Current Assets	46,049,336	18,620,141	7,551,626	72,221,103
Restricted Assets:				
Cash and Cash Equivalents	9,552,732			9,552,732
Investments	25,383,536			25,383,536
Total Restricted Assets	34,936,268			34,936,268
Deferred Charges	3,348,701			3,348,701
Fixed Assets:				
Land	68,648,590	1,864,113		70,512,703
Land Improvements		542,948		542,948
Buildings	2,527,067	6,923,300		9,450,367
Building Improvements		1,169,387		1,169,387
Equipment	10,226,818	9,164,985	729,227	20,121,030
Construction in Progress	67,348,247			67,348,247
Infrastructure	281,114,966			281,114,966
Less: Allowance for Depreciation and Amortization	(84,254,182)	(10,205,529)	(456,049)	(94,915,760)
Net Fixed Assets	345,611,506	9,459,204	273,178	355,343,888
Total Assets	$ 429,945,811	$ 28,079,345	$ 7,824,804	$ 465,849,960
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts Payable	$ 2,569,403	$ 14,769,026	$ 1,001,392	$ 18,339,821
Accrued Payroll	516,819	847,468	88,381	1,452,668
Due to Other Funds			790,129	790,129
Deferred Revenue		1,573,257	1,368,627	2,941,884
Other Liabilities	695,105		4,289,819	4,984,924
General Obligation Bonds Payable - Current	4,038,000			4,038,000
Total Current Liabilities	7,819,327	17,189,751	7,538,348	32,547,426
Current Liabilities Payable from Restricted Assets:				
Revenue Bonds Payable	3,425,000			3,425,000
Accrued Interest Payable	2,394,851			2,394,851
Total Current Liabilities Payable from Restricted Assets	5,819,851			5,819,851
Noncurrent Liabilities:				
General Obligation Bonds Payable	56,311,270			56,311,270
Revenue Bonds Payable (Net of Unamortized Discount)	203,882,915			203,882,915
Compensated Absences Payable	880,986	1,430,390	286,456	2,597,832
Total Noncurrent Liabilities	261,075,171	1,430,390	286,456	262,792,017
Total Liabilities	274,714,349	18,620,141	7,824,804	301,159,294
Fund Equity:				
Contributions from Other Funds		9,459,204		9,459,204
Contributed Capital (Net of Amortization)	49,909,312			49,909,312
Retained Earnings	105,322,150			105,322,150
Total Fund Equity	155,231,462	9,459,204		164,690,666
Total Liabilities and Fund Equity	$ 429,945,811	$ 28,079,345	$ 7,824,804	$ 465,849,960

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	Turnpike System	Liquor Commission	Sweepstakes Commission	Total
OPERATING REVENUES:				
Charges for Sales and Services	$ 45,515,042	$ 208,578,882	$ 106,102,925	$ 360,196,849
OPERATING EXPENSES:				
Cost of Sales and Services		147,936,380	56,991,270	204,927,650
Personnel Services	7,107,321	10,702,483	1,573,277	19,383,081
Supplies and Materials	957,525	384,033	11,178	1,352,736
Communication Services	39,001	256,775	91,113	386,889
Travel	15,627	97,978	40,936	154,541
Printing and Binding	2,439	117,655	1,359,205	1,479,299
Advertising	2,567	606,761	1,093,121	1,702,449
Commissions			6,741,513	6,741,513
Heat, Light and Power	767,211	550,056		1,317,267
Rent	192,441	1,295,555	261,779	1,749,775
Repairs	4,532,488	623,004		5,155,492
Payroll Benefits	2,197,031	3,021,806	579,581	5,798,418
Indirect Costs	711,006	219,805	30,693	961,504
Enforcement	2,485,100		244,900	2,730,000
Miscellaneous	624,876	398,785	218,322	1,241,983
Depreciation	5,748,070	1,119,300	60,929	6,928,299
Total Operating Expenses	25,382,703	167,330,376	69,297,817	262,010,896
Operating Income	20,132,339	41,248,506	36,805,108	98,185,953
NONOPERATING REVENUES (EXPENSES):				
Licenses		2,775,553		2,775,553
Beer Taxes		10,984,381		10,984,381
Interest Revenue	1,714,335		159,344	1,873,679
Miscellaneous	762,198	1,362,327	325,677	2,450,202
Interest on Bonds	(10,770,835)			(10,770,835)
Amortization of Bond Issuance Costs	(176,198)			(176,198)
Total Nonoperating Revenues (Expenses)	(8,470,500)	15,122,261	485,021	7,136,782
Income Before Operating Transfers	11,661,839	56,370,767	37,290,129	105,322,735
Operating Transfers:				
To General Fund		(56,370,767)	(37,290,129)	(93,660,896)
Net Operating Transfers		(56,370,767)	(37,290,129)	(93,660,896)
Net Income Before Extraordinary Items	11,661,839	-0-	-0-	11,661,839
Extraordinary Loss on Advance Refundings	(10,867,957)			(10,867,957)
Net Income	793,882	-0-	-0-	793,882
Add: Depreciation on Fixed Assets Acquired by Grants and Entitlements Externally Restricted for Capital Acquisitions and Construction that Reduces Contributed Capital	1,274,405			1,274,405
Increase in Retained Earnings	2,068,287	-0-	-0-	2,068,287
Retained Earnings - July 1	103,253,863	-0-	-0-	103,253,863
Retained Earnings - June 30	$ 105,322,150	$ -0-	$ -0-	$ 105,322,150

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	Turnpike System	Liquor Commission	Sweepstakes Commission	Total
Cash Flows from Operating Activities:				
Operating Income	$ 20,132,339	$ 41,248,506	$ 36,805,108	$ 98,185,953
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	5,924,268	1,119,300	60,929	7,104,497
Change in Operating Assets and Liabilities:				
(Increase) Decrease in Receivables	(58,042)	(201,425)	501,044	241,577
(Increase) Decrease in Inventories		(1,923,797)	49,607	(1,874,190)
Decrease in Other Assets			2,166	2,166
Increase (Decrease) in Accounts Payable and Other Accruals	723,943	(1,456,422)	1,140,030	407,551
Increase (Decrease) in Deferred Revenue		10,735	(273,908)	(263,173)
Contributions from Other Funds		(858,954)		(858,954)
Net Cash Provided by Operating Activities	26,722,508	37,937,943	38,284,976	102,945,427
Cash Flows from Noncapital Financing Activities:				
Transfers to Other Funds		(52,743,254)	(36,741,608)	(89,484,862)
Proceeds from Collection of Licenses and Beer Tax		13,759,934		13,759,934
Net Cash Used for Noncapital and Related Financing Activities		(38,983,320)	(36,741,608)	(75,724,928)
Cash Flows from Capital and Related Financing Activities:				
Acquisition, Disposal and Construction of Capital Assets	(33,672,232)	(260,346)	(121,493)	(34,054,071)
Proceeds from Refunding Bonds	107,055,617			107,055,617
Payments to Refunded Bond Escrow Agent	(107,055,617)			(107,055,617)
Increase in Contributed Capital	1,083,349			1,083,349
Interest Paid on Revenue and General Obligation Bonds	(17,585,467)			(17,585,467)
Principal Paid on Bonds	(6,759,535)			(6,759,535)
Decrease in Bond Issuance Costs	(131,567)			(131,567)
Net Cash Used for Capital and Related Financing Activities	(57,065,452)	(260,346)	(121,493)	(57,447,291)
Cash Flows from Investing Activities:				
Purchase of Investments	(71,665,204)			(71,665,204)
Proceeds from Maturities of Investments	73,332,368			73,332,368
Interest and Other Income	2,306,752	1,362,327	474,429	4,143,508
Gain on Sale of Investments	643,512			643,512
Net Cash Provided by Investing Activities	4,617,428	1,362,327	474,429	6,454,184
Net Increase (Decrease) in Cash and Cash Equivalents	(25,725,516)	56,604	1,896,304	(23,772,608)
Cash and Cash Equivalents - July 1	65,463,546	1,114,017	4,071,903	70,649,466
Cash and Cash Equivalents - June 30	$ 39,738,030	$ 1,170,621	$ 5,968,207	$ 46,876,858

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 1993

ASSETS	Expendable Trust Funds	Non-Expendable Trust Funds	Agency Funds	Total
Cash and Cash Equivalents		$ 2,982,700	$ 12,196,112	$ 15,178,812
Investments	$ 157,914,858	4,133,486	114,065,996	276,114,340
Receivables (Net of Allowances for Uncollectibles)	16,083,831		487,325	16,571,156
Due from Other Funds		159,902		159,902
Total Assets	$ 173,998,689	$ 7,276,088	$ 126,749,433	$ 308,024,210
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Due to Other Funds			$ 487,325	$ 487,325
Due to Other Taxing Units			157,418	157,418
Due to Component Units			29,777,882	29,777,882
Custodial Funds Payable			96,326,808	96,326,808
Payment Due Other Jurisdictions/Overpayment	$ 1,624,350			1,624,350
Total Liabilities	1,624,350		126,749,433	128,373,783
FUND BALANCES:				
Reserved for Unemployment Compensation Benefits	170,459,846			170,459,846
Reserved for Various Trust Funds	1,914,493	$ 7,276,088		9,190,581
Total Fund Balances	172,374,339	7,276,088		179,650,427
Total Liabilities and Fund Balances	$ 173,998,689	$ 7,276,088	$ 126,749,433	$ 308,024,210

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 1993

	Balance July 1, 1992	Additions	Deductions	Balance June 30, 1993
PAYROLL TAXES AND FRINGE BENEFITS				
ASSETS				
Cash and Cash Equivalents	$ 155,095	$ 69,313,946	$ 69,311,623	$ 157,418
LIABILITIES				
Due to Other Taxing Units	$ 155,095	$ 69,313,946	$ 69,311,623	$ 157,418
DEFERRED COMPENSATION				
ASSETS				
Cash and Cash Equivalents	$ 239,014	$ 18,835		$ 257,849
Investments	56,674,140	10,776,039	$ 3,337,643	64,112,536
Total Assets	$ 56,913,154	$ 10,794,874	$ 3,337,643	$ 64,370,385
LIABILITIES				
Custodial Funds Payable	$ 56,913,154	$ 10,794,874	$ 3,337,643	$ 64,370,385
UNIFIED COURT SYSTEM				
ASSETS				
Cash and Cash Equivalents	$ 6,533,023	$ 10,196,681	$ 8,573,519	$ 8,156,185
LIABILITIES				
Custodial Funds Payable	$ 6,533,023	$ 10,196,681	$ 8,573,519	$ 8,156,185
CHILD SUPPORT FUND				
ASSETS				
Cash and Cash Equivalents	$ 1,257,411	$ 34,130,828	$ 32,562,834	$ 2,825,405
LIABILITIES				
Custodial Funds Payable	$ 1,257,411	$ 34,130,828	$ 32,562,834	$ 2,825,405
MISCELLANEOUS AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 790,798	$ 67,766	$ 59,309	$ 799,255
Investments	10,862,677	42,717,418	3,626,635	49,953,460
Receivables	487,325			487,325
Total Assets	$ 12,140,800	$ 42,785,184	$ 3,685,944	$ 51,240,040
LIABILITIES				
Due to Other Funds	$ 487,325			$ 487,325
Due to Component Units		$ 30,051,208	$ 273,326	29,777,882
Custodial Funds Payable	11,653,475	12,733,976	3,412,618	20,974,833
Total Liabilities	$ 12,140,800	$ 42,785,184	$ 3,685,944	$ 51,240,040
TOTALS - AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 8,975,341	$ 113,728,056	$ 110,507,285	$ 12,196,112
Investments	67,536,817	53,493,457	6,964,278	114,065,996
Receivables	487,325			487,325
Total Assets	$ 76,999,483	$ 167,221,513	$ 117,471,563	$ 126,749,433
LIABILITIES				
Due to Other Funds	$ 487,325			$ 487,325
Due to Other Taxing Units	155,095	$ 69,313,946	$ 69,311,623	157,418
Due to Component Units		30,051,208	273,326	29,777,882
Custodial Funds Payable	76,357,063	67,856,359	47,886,614	96,326,808
Total Liabilities	$ 76,999,483	$ 167,221,513	$ 117,471,563	$ 126,749,433

STATE OF NEW HAMPSHIRE
TRANSFERS SCHEDULE
JUNE 30, 1993

	Transfers In					
		Special Revenue Funds				
	General Fund	Fish and Game Fund	Special Fund	Total	Capital Projects Fund	Combined Totals
Transfers Out:						
General Fund			$ 157,846,700	$ 157,846,700	$ 348,953	$ 158,195,653
Special Revenue Funds:						
Highway Fund	$ 639,384	$ 637,143		637,143		1,276,527
Special Fund	7,530,933					7,530,933
Total Special Revenue Funds	8,170,317	637,143		637,143		8,807,460
Capital Projects Fund	168,990					168,990
Subtotal	8,339,307	637,143	157,846,700	158,483,843	348,953	167,172,103
Enterprise Funds:						
Liquor Commission	56,370,767					56,370,767
Sweepstakes Commission	37,290,129					37,290,129
Total Enterprise Funds	93,660,896					93,660,896
Combined Totals	$ 102,000,203	$ 637,143	$ 157,846,700	$ 158,483,843	$ 348,953	$ 260,832,999

STATE OF NEW HAMPSHIRE
COMBINING BALANCE SHEET
COMPONENT UNITS - PROPRIETARY FUNDS
JUNE 30, 1993

ASSETS	Business Finance Authority	Pease Development Authority	Total
Current Assets:			
Cash and Cash Equivalents	$ 573,235	$ 1,772,152	$ 2,345,387
Receivables (Net of Allowances for Uncollectibles)	71,848	225,369	297,217
Notes Receivable	2,158,082		2,158,082
Other Assets		57,711	57,711
Total Current Assets	2,803,165	2,055,232	4,858,397
Restricted Assets:			
Cash and Cash Equivalents	941,391	1,967,854	2,909,245
Investments	22,513,590	2,411,539	24,925,129
Due from Primary Government		29,777,882	29,777,882
Loans Receivable		8,630,846	8,630,846
Interest Receivable		289,544	289,544
Total Restricted Assets	23,454,981	43,077,665	66,532,646
Fixed Assets:			
Buildings	4,104,331		4,104,331
Leasehold Improvements	3,878	1,287,935	1,291,813
Equipment	50,838	590,551	641,389
Equipment under Capital Leases		115,313	115,313
Construction-in-Progress		566,277	566,277
Less: Allowance for Depreciation and Amortization	(1,104,598)	(284,460)	(1,389,058)
Net Fixed Assets	3,054,449	2,275,616	5,330,065
Other Assets:			
First Mortgage Loan	112,813		112,813
Bond Issue Costs (Net of Amortization)	366,843	414,234	781,077
Notes Receivable	245,602		245,602
Total Other Assets	725,258	414,234	1,139,492
Total Assets	$ 30,037,853	$ 47,822,747	$ 77,860,600
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ 328	$ 508,624	$ 508,952
Accrued Payroll	20,399	128,620	149,019
Deferred Revenue		192,488	192,488
Current Portion of Bonds Payable	500,000		500,000
Other Current Liabilities	275,480	160,482	435,962
Total Current Liabilities	796,207	990,214	1,786,421
Current Liabilities Payable from Restricted Assets	56,106	984,020	1,040,126
Noncurrent Liabilities:			
Bonds Payable	24,283,308	11,000,000	35,283,308
Due to Primary Government		36,590,000	36,590,000
Advances from Tenant		2,000,000	2,000,000
Other Noncurrent Liabilities		29,575	29,575
Total Noncurrent Liabilities	24,283,308	49,619,575	73,902,883
Total Liabilities	25,135,621	51,593,809	76,729,430
Fund Equity:			
Contributed Capital		17,371	17,371
Retained Earnings:			
Reserved for Loan Guarantees	885,285		885,285
Unreserved (Deficit)	4,016,947	(3,788,433)	228,514
Total Retained Earnings (Deficit)	4,902,232	(3,788,433)	1,113,799
Total Fund Equity (Deficit)	4,902,232	(3,771,062)	1,131,170
Total Liabilities and Fund Equity	$ 30,037,853	$ 47,822,747	$ 77,860,600

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
COMPONENT UNITS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	Business Finance Authority	Pease Development Authority	Total
OPERATING REVENUES:			
Charges for Sales and Services	$ 1,102,444	$ 3,226,834	$ 4,329,278
OPERATING EXPENSES:			
Personnel Services	284,866	2,155,708	2,440,574
Advertising		865,150	865,150
Miscellaneous	288,784	2,406,407	2,695,191
Depreciation	107,734	229,315	337,049
Total Operating Expenses	681,384	5,656,580	6,337,964
Operating Income (Loss)	421,060	(2,429,746)	(2,008,686)
NONOPERATING EXPENSES			
Miscellaneous	(563,162)	(229,826)	(792,988)
Net Loss	(142,102)	(2,659,572)	(2,801,674)
Retained Earnings (Deficit) - July 1	5,044,334	(1,128,861)	3,915,473
Retained Earnings (Deficit) - June 30	$ 4,902,232	$ (3,788,433)	$ 1,113,799

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF CASH FLOWS
COMPONENT UNITS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1993

	Business Finance Authority	Pease Development Authority	Total
Cash Flows from Operating Activities:			
Operating Income (Loss)	$ 421,060	$ (2,429,746)	$ (2,008,686)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:			
Depreciation and Amortization	120,384	229,315	349,699
Change in Operating Assets and Liabilities:			
Increase in Receivables	(28,267)	(145,246)	(173,513)
Increase in Notes Receivable	(2,403,684)		(2,403,684)
Increase in Other Assets		(17,570)	(17,570)
(Decrease) Increase in Accounts Payable and Other Accruals	(12,535)	172,174	159,639
Increase in Deferred Revenue	56,106	43,912	100,018
Net Cash Used for Operating Activities	(1,846,936)	(2,147,161)	(3,994,097)
Cash Flows from Noncapital Financing Activities:			
Proceeds from Bond Issue	25,000,000		25,000,000
Proceeds from Loans with Primary Government		5,400,000	5,400,000
Interest Paid on Bonds	(782,727)		(782,727)
Increase in Original Issue Discount	(216,692)		(216,692)
Increase in Bond Issuance Costs	(379,493)		(379,493)
Payments Relating to Federal Grants		(177,102)	(177,102)
Net Cash Provided by Noncapital Financing Activities	23,621,088	5,222,898	28,843,986
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Equipment	(45,716)	(1,711,625)	(1,757,341)
Proceeds from Loans with Primary Government		30,125,457	30,125,457
Amount Loaned to Tenant		(8,630,846)	(8,630,846)
Advance from Tenant		2,000,000	2,000,000
Proceeds from Bond Issues		11,000,000	11,000,000
Interest Paid on Debt		(343,026)	(343,026)
Increase in Bond Issuance Costs		(419,979)	(419,979)
Capital Lease Payments		(31,657)	(31,657)
Net Cash (Used for) Provided by Capital and Related Financing Activities	(45,716)	31,988,324	31,942,608
Cash Flows from Investing Activities:			
Purchases of Investments	(22,513,590)	(32,189,421)	(54,703,011)
Interest Income Investments	495,043	356,284	851,327
Net Cash Used for Investing Activities	(22,018,547)	(31,833,137)	(53,851,684)
Net (Decrease) Increase in Cash and Cash Equivalents	(290,111)	3,230,924	2,940,813
Cash and Cash Equivalents - July 1	1,804,737	509,082	2,313,819
Cash and Cash Equivalents - June 30	$ 1,514,626	$ 3,740,006	$ 5,254,632

STATISTICAL SECTION

STATE OF NEW HAMPSHIRE
TABLE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30,									
	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
REVENUES:										
General Property Taxes	$ 379	$ 299	$ 277	$ 6,237	$ 9,848	$ 9,865	$ 8,519	$ 10,357	$ 10,271	$ 15,728
Special Taxes	718,243	676,228	403,640	314,639	336,556	312,017	323,465	260,176	247,875	225,353
Personal Taxes	41,161	39,340	39,508	38,148	31,438	31,696	31,675	32,731	32,724	33,581
Business License Taxes	155,487	155,194	142,092	139,282	138,036	134,643	123,294	112,673	99,160	92,384
Non-Business License Taxes	53,407	52,865	51,530	52,366	49,549	47,968	45,261	42,125	39,314	36,497
Fees	63,687	60,171	52,363	48,662	35,022	35,337	29,143	26,776	21,944	18,758
Fines, Penalties and Interest	22,897	21,820	27,827	28,320	24,898	24,942	20,586	17,791	14,873	9,560
Grants from Federal Government	739,736	656,030	459,397	355,736	324,394	307,566	292,645	299,062	294,750	256,723
Grants from Private and Local Sources	72,692	67,621	63,270	55,212	47,271	44,779	38,204	28,096	26,447	28,486
Rents and Leases	3,856	4,090	3,769	3,683	3,965	3,332	3,138	3,048	3,432	2,827
Interest, Premiums and Discounts	5,106	5,296	3,759	4,303	7,969	6,850	6,047	5,540	3,880	3,623
Sale of Commodities	8,719	7,535	8,846	10,182	8,580	8,187	7,406	5,328	3,565	4,117
Sale of Services	60,762	51,585	56,528	37,951	35,827	35,700	31,750	32,100	30,059	27,060
Assessments	17,231	15,640	14,300	11,147	10,678	9,775	10,022	30,188	25,726	23,179
Grants from Other Agencies	16,737	17,222	15,395	13,313	16,920	44,585	46,593	42,182	27,082	22,547
Miscellaneous	26,302	26,578	23,876	23,628	25,247	27,216	22,688	17,592	20,405	22,255
Total Revenues	2,006,402	1,857,514	1,366,377	1,142,809	1,106,198	1,084,458	1,040,436	965,765	901,507	822,678
EXPENDITURES:										
General Government	176,423	170,621	167,010	158,618	157,163	146,866	139,286	133,421	129,597	117,590
Administration of Justice and Public Protection	138,750	130,025	127,694	121,942	119,584	115,803	102,545	115,418	97,847	70,337
Resource Protection and Development	110,516	79,087	67,550	59,335	57,835	59,895	47,648	44,350	42,371	41,190
Transportation	185,450	171,750	160,431	156,562	144,989	135,874	129,000	124,859	120,233	108,967
Health and Social Services	1,069,042	1,002,621	650,903	492,579	445,197	408,044	366,838	311,548	288,410	272,854
Education	262,426	257,392	236,835	218,304	209,270	193,467	150,188	137,970	118,495	118,252
Debt Service	59,842	60,706	60,163	51,999	46,955	46,786	49,042	56,423	51,602	50,581
Capital Outlay	144,598	85,384	82,152	80,445	100,886	88,507	82,899	88,315	85,945	62,771
Total Expenditures	2,147,047	1,957,586	1,552,738	1,339,784	1,281,879	1,195,242	1,067,446	1,012,304	934,500	842,542
(Deficiency) of Revenues (Under) Expenditures	(140,645)	(100,072)	(186,361)	(196,975)	(175,681)	(110,784)	(27,010)	(46,539)	(32,993)	(19,864)
OTHER FINANCING SOURCES (USES):										
Operating Transfers In	167,172	142,312	113,676	93,593	94,954	85,671	84,148	70,664	73,140	67,074
Operating Transfers Out	(167,172)	(142,312)	(113,676)	(93,593)	(94,954)	(85,671)	(84,148)	(70,664)	(73,140)	(67,074)
Enterprise Fund Transfers In	93,661	92,445	89,497	81,786	78,867	73,947	66,796	55,018	45,891	45,572
Transfer from IDA			7,000							
Proceeds from Issuance of Bonds	90,506	59,999	103,000	60,000	85,000			60,000	54,000	52,000
Miscellaneous						4,765	(4,202)	(1,962)	503	(382)
Proceeds of Refunding Bonds	124,836			51,407				154,525		
Payment to Refunding Bond Escrow Agent	(124,836)			(51,407)				(154,525)		
Total Other Financing Sources	184,167	152,444	199,497	141,786	163,867	78,712	62,594	113,056	100,394	97,190
Excess (Deficiency) of Revenues and Other Sources (Over) Under Expenditures and Other Uses Before Debt Services Sinking Funds Transfer	43,522	52,372	13,136	(55,189)	(11,814)	(32,072)	35,584	66,517	67,401	77,326
Adjustment to Transfer Debt Service Sinking Funds to Enterprise Fund							(8,402)			
Excess (Deficiency) of Revenues and Other Sources (Over) Under Expenditures and Other Uses	43,522	52,372	13,136	(55,189)	(11,814)	(32,072)	27,182	66,517	67,401	77,326
Fund Balances - July 1	153,775	101,403	88,267	143,456	155,270	187,342	160,160	93,643	26,242	(51,084)
Fund Balances - June 30	$ 197,297	$ 153,775	$ 101,403	$ 88,267	$ 143,456	$ 155,270	$ 187,342	$ 160,160	$ 93,643	$ 26,242

STATE OF NEW HAMPSHIRE
TABLE OF UNRESTRICTED REVENUE - GAAP BASIS
GENERAL FUND
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30,									
	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Beer Tax	$ 11,182	$ 11,357	$ 13,305	$ 12,180	$ 12,110	$ 12,150	$ 12,060	$ 11,804	$ 11,185	$ 10,417
Board and Care Tax	32,072	22,466	30,518	14,454	14,669	16,250	15,740	18,847	13,229	13,585
Medicaid Enhancement Tax	160,759	156,271	35,030							
Business Profits Tax	128,727	91,604	112,035	110,981	143,261	136,773	150,008	110,695	111,281	101,935
Estate and Legacy Tax	31,064	28,128	23,398	24,282	30,354	21,159	19,413	17,003	10,657	11,827
Insurance Tax	48,221	44,859	43,540	43,084	41,407	41,658	33,255	26,343	20,811	18,728
Interest and Dividends Tax	36,088	34,608	37,413	40,731	36,025	30,659	26,732	24,700	24,655	22,651
Liquor Sales and Distribution	63,463	62,493	58,549	55,100	51,969	50,100	48,682	46,623	42,933	43,422
Meals and Rooms Tax	95,398	92,078	89,803	83,803	81,809	76,514	69,787	62,139	57,101	51,789
Park Revenue	5,105	4,287	5,998	7,259	5,960	6,009	5,149	4,497	3,001	3,683
Dog Racing	4,073	4,819	5,954	7,184	8,304	8,824	8,240	8,189	7,549	7,345
Horse Racing	2,430	3,142	3,975	3,353	2,258	1,483	1,179	1,560	1,963	395
Real Estate Transfer Tax	26,837	35,105	28,893	32,319	29,679	34,568	44,768	33,026	30,362	22,484
Telephone/Communication Tax	29,529	27,762	22,231	12,788	9,510	9,467	8,197	9,999	10,052	15,440
Tobacco Tax	41,189	39,377	39,540	38,169	31,466	31,722	31,674	32,731	32,723	33,581
Utility Tax	21,077	22,998	10,114	8,194	8,383	7,074	6,427	6,400	6,739	6,081
Courts Fines and Fees	19,338	19,663	21,052	22,609	20,246	20,211	18,288	17,773		
Savings Bank Tax	3,040	7,446	11,858	12,618	10,778	8,782	7,954	7,775	7,035	7,441
Other:										
Corporate Returns	935	1,092	930	926	869	916	991	842		
Interstate Vehicle Registration	2,960	2,744	2,613	2,549	2,417	2,207	2,051	1,868		
Motor Boat Registrations	1,435	1,411	1,428	1,545	1,168	708	646	643		
Corporate Filing Fees	6,562	6,398	6,266	4,499	3,847	3,700	3,350	3,278		
Interest on Surplus Funds	2,463	1,485	1,033	2,215	5,149	3,799	4,005	2,173		
Reimb. of Indirect Costs	5,595	6,328	4,733	4,551	6,453	7,242	5,321	5,449		
Miscellaneous	19,453	20,383	18,475	16,779	12,758	10,875	14,366	12,855	38,006	33,052
Subtotal Other *	39,403	39,841	35,478	33,064	32,661	29,447	30,730	27,108	38,006	33,052
Total	$ 798,995	$ 748,304	$ 628,684	$ 562,172	$ 570,849	$ 542,850	$ 538,283	$ 467,212	$ 429,282	$ 403,856

* Prior to FY 1986, the Other Category is reported in total.

STATE OF NEW HAMPSHIRE
TABLE OF UNDESIGNATED FUND BALANCE
GENERAL FUND
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30,									
	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Balance, July 1 (Budgetary Method)	$ 64,907	$ 23,076	$ (539)	$ 39,807	$ 54,026	$ 61,660	$ 66,329	$ 47,760	$ 1,333	$ (40,056)
Additions:										
Unrestricted Revenue	799,434	749,211	628,598	566,579	569,731	542,780	537,592	468,017	430,594	402,339
Reversal-Utilities Franchise Tax										5,742
Transfer from Other Funds	806	689	5,116	956	336	386	969		504	322
Bonds Authorized and Unissued	3,800		20,000							1,500
Other Credits	1,220	320	7,000	461	460	1,948	624	681	636	397
Total Additions	805,260	750,220	660,714	567,996	570,527	545,114	539,185	468,698	431,734	410,300
Deductions:										
Appropriations Net of Estimated Revenue:										
General Government	176,098	164,693	155,397	143,822	137,217	134,377	145,813	121,667	115,747	120,263
Administration of Justice and Public Protection	86,286	83,750	78,473	75,885	67,215	61,525	47,355	60,793	41,669	29,849
Resource Protection and Development	30,942	18,950	34,510	32,814	30,499	36,308	26,403	24,977	20,697	20,146
Transportation	2,799	2,813	2,860	2,955	1,792	4,524	4,177	1,759	729	760
Health and Social Services	191,721	185,110	178,695	175,435	159,667	146,363	125,273	97,922	91,975	86,007
Education	116,434	111,918	107,397	101,010	99,299	95,603	77,903	75,662	52,989	51,011
Liquor Commission	19,893	19,319	18,856	19,120	18,766	18,021	15,886	15,095	13,599	13,235
Special Fund	157,246	140,900	106,198	85,604	88,881	82,578	72,598	63,848	67,569	60,381
Total Appropriations Net of Estimated Revenues	781,419	727,453	682,386	636,645	603,336	579,299	515,408	461,723	404,974	381,652
Less: Lapses	(25,582)	(20,056)	(18,017)	(29,517)	(20,313)	(24,524)	(7,114)	(12,558)	(20,373)	(14,068)
Net Appropriations	755,837	707,397	664,369	607,128	583,023	554,775	508,294	449,165	384,601	367,584
Transfers to Other Funds	349	203		185	341	1,838			100	
Utilities - Franchise Tax										
Prior Year Refunds - B.P.T.										
Other Debits	303	789	1,216	1,029	34	484	2,044	964	606	1,327
Transfer to Reserve Accounts	37,560		(28,486)		1,348	(4,349)	33,516			
Total Deductions	794,049	708,389	637,099	608,342	584,746	552,748	543,854	450,129	385,307	368,911
Balance, June 30 (Budgetary Method)	76,118	64,907	23,076	(539)	39,807	54,026	61,660	66,329	47,760	1,333
GAAP Adjustments:										
Receivables	4,563	3,525	4,539	3,479	6,228	4,938	3,311	2,924	4,444	4,414
Accounts Payable and Accrued Liabilities	(45,246)	(46,232)	(46,651)	(38,409)	(35,514)	(39,367)	(33,244)	(28,782)	(22,528)	(21,312)
Due to Trust Funds					(242)	(251)	(260)	(320)	(355)	(430)
Transfer from General Fund to Liquor Fund	(2,309)	(2,384)	(2,139)	(2,211)	(2,144)	(3,587)	(3,630)	(3,604)	(3,739)	(3,266)
Transfer from General Fund to Special Fund	(1,643)	(1,199)	(3,353)	(1,546)	(2,467)	(2,607)	(4,257)	(4,137)	(2,188)	(3,682)
Elimination Bonds Authorized									(1,500)	(1,500)
Additional Transfer (to) from Reserve Accounts				28,486	(56)	(4)	(380)			
Total GAAP Adjustments	(44,635)	(46,290)	(47,604)	(10,201)	(34,195)	(40,878)	(38,460)	(33,919)	(25,866)	(25,776)
Balance, June 30 (GAAP)	$ 31,483	$ 18,617	$ (24,528)	$ (10,740)	$ 5,612	$ 13,148	$ 23,200	$ 32,410	$ 21,894	$ (24,443)

STATE OF NEW HAMPSHIRE
TABLE OF UNDESIGNATED FUND BALANCE
HIGHWAY FUND
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30,									
	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Balance, July 1 (Budgetary Method)	$ 1,377	$ (6,253)	$ (6,591)	$ (2,441)	$ 8,033	$ 12,348	$ 2,297	$ 15,007	$ 18,904	$ 11,450
Additions:										
Unrestricted Revenue:										
Gasoline Tax	96,311	94,107	90,381	82,588	88,889	84,270	84,051	69,621	66,362	65,683
Motor Vehicle Fees	55,313	55,025	52,816	53,840	48,699	46,374	43,323	40,514	37,811	35,444
Other	7,383	8,677	7,433	8,926	9,651	7,903	3,398	3,924	2,761	2,407
Total Unrestricted Revenue	159,007	157,809	150,630	145,354	147,239	138,547	130,772	114,059	106,934	103,534
Bonds Authorized and Unissued	13,500	3,250	1,000	5,000	2,500	1,775	1,465	18,804	16,855	41,197
Bonds Authorized Reclass - Prior Year							15,000		499	
Other Credits	6,154			78	64	1,219	336	424	5	6
Total Additions	178,661	161,059	151,630	150,432	149,803	141,541	147,573	133,287	124,293	144,737
Deductions:										
Appropriations Net of Estimated Revenues	182,818	158,258	161,393	158,374	161,582	152,138	133,578	147,504	127,211	138,496
Less: Lapses	(6,198)	(6,402)	(11,844)	(6,679)	(6,848)	(8,356)	(8,392)	(6,229)	(6,665)	(7,447)
Net Appropriations	176,620	151,856	149,549	151,695	154,734	143,782	125,186	141,275	120,546	131,049
Other Debits	5,522	1,573	1,743	2,887	5,543	2,074	12,336	4,722	7,644	6,234
Total Deductions	182,142	153,429	151,292	154,582	160,277	145,856	137,522	145,997	128,190	137,283
Balance, June 30 (Budgetary Method)	(2,104)	1,377	(6,253)	(6,591)	(2,441)	8,033	12,348	2,297	15,007	18,904
GAAP Adjustments:										
Receivables	4,257	1,180	4,464	3,577	7,175	11,418	6,273	4,025	3,493	607
Accounts Payable and Accrued Liabilities	(5,866)	(7,671)	(11,040)	(10,480)	(11,512)	(16,198)	(14,859)	(13,176)	(10,667)	(10,273)
Bonds Authorized and Unissued	(18,290)	(11,629)	(10,605)	(19,904)	(17,219)	(34,344)	(45,969)	(82,729)	(84,051)	(73,695)
Total GAAP Adjustments	(19,899)	(18,120)	(17,181)	(26,807)	(21,556)	(39,124)	(54,555)	(91,880)	(91,225)	(83,361)
Reclassification of Designated Balance	6,377	28,519	49,196	46,318	34,094	30,419	20,189	71,674	31,773	
Balance, June 30 (GAAP)	$ (15,626)	$ 11,776	$ 25,762	$ 12,920	$ 10,097	$ (672)	$ (22,018)	$ (17,909)	$ (44,445)	$ (64,457)

STATE OF NEW HAMPSHIRE
TABLE OF UNDESIGNATED FUND BALANCE
FISH AND GAME FUND
FOR THE LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30,									
	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Balance, July 1 (Budgetary Method)	$ 3,235	$ 3,460	$ 2,729	$ 1,943	$ 1,589	$ 1,445	$ 706	$ 443	$ 624	$ 775
Additions:										
Unrestricted Revenue	6,715	6,410	6,281	6,111	5,689	5,624	5,016	4,156	3,739	3,472
Other Credits		28	935	525	231	293	174	145	54	47
Total Additions	6,715	6,438	7,216	6,636	5,920	5,917	5,190	4,301	3,793	3,519
Deductions:										
Appropriations Net of Estimated Revenues	7,073	6,977	6,733	6,557	6,482	6,359	4,480	4,313	4,091	3,802
Less: Lapses	(327)	(337)	(308)	(707)	(947)	(586)	(281)	(275)	(150)	(132)
Net Appropriations	6,746	6,640	6,425	5,850	5,535	5,773	4,199	4,038	3,941	3,670
Other Debits	28	23	60		31		252		33	
Total Deductions	6,774	6,663	6,485	5,850	5,566	5,773	4,451	4,038	3,974	3,670
Balance, June 30 (Budgetary Method)	3,176	3,235	3,460	2,729	1,943	1,589	1,445	706	443	624
GAAP Adjustments:										
Receivables	96	100	96	142	66	89	74	55	50	51
Accounts Payable and Accrued Liabilities	(782)	(758)	(778)	(471)	(408)	(617)	(378)	(294)	(290)	(276)
Total GAAP Adjustments	(686)	(658)	(682)	(329)	(342)	(528)	(304)	(239)	(240)	(225)
Balance, June 30 (GAAP)	$ 2,490	$ 2,577	$ 2,778	$ 2,400	$ 1,601	$ 1,061	$ 1,141	$ 467	$ 203	$ 399

STATE OF NEW HAMPSHIRE
SCHEDULE OF REVENUE BOND COVERAGE RATIO
TURNPIKE SYSTEM REVENUE BONDS
FOR THE LAST FIVE FISCAL YEARS
(Expressed in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage Ratio
				Principal	Interest	Total	
1993	$ 47,859	$ 15,968	$ 31,891	$ 2,940	$ 13,623	$ 16,563	1.93
1992	48,097	15,020	33,077	2,579	14,165	16,744	1.98
1991	49,165	13,459	35,706	2,265	14,489	16,754	2.13
1990	44,488	12,208	32,280	1,373	9,748	11,121	2.90
1989	32,561	10,806	21,755	1,043	8,005	9,048	2.40

* The Turnpike System's first series of Revenue Bonds were issued in Fiscal Year 1988.

STATE OF NEW HAMPSHIRE
RATIO OF GENERAL LONG-TERM DEBT TO ASSESSED VALUE
AND GENERAL LONG-TERM DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS

(Expressed In Thousands)

Fiscal Year	(1) Population	(2) Assessed Value	(3) General Long-Term Debt	Ratio Of General Long-Term Debt To Assessed Value	General Long-Term Debt Per Capita
1993	1,111	$ 70,635,448	$ 610,456	.86%	$ 549
1992	1,111	61,895,766	538,013	.87	484
1991	1,105	60,024,128	510,078	.85	462
1990	1,109	54,386,255	441,060	.81	398
1989	1,107	46,936,012	406,465	.87	367
1988	1,085	37,892,393	349,860	.92	322
1987	1,056	31,588,434	379,155	1.20	359
1986	1,027	27,730,520	431,921	1.56	421
1985	998	23,679,520	387,998	1.64	389
1984	958	20,890,951	357,190	1.71	373

Sources: (1) U.S. Department of Commerce, Bureau of the Census (1993 estimated).
(2) New Hampshire Department of Revenue Administration (1993 estimated).
(3) Includes all General Obligation Bonds Payable.

STATE OF NEW HAMPSHIRE
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN CALENDAR YEARS

Year	(1) Population	(1) Per Capita Income	(2) Unemployment Rate
1993	1,111,000	$ 24,081	7.5%
1992	1,111,000	22,596	7.5
1991	1,105,000	21,596	7.2
1990	1,109,000	20,802	5.6
1989	1,107,000	20,422	3.4
1988	1,085,000	19,625	2.5
1987	1,056,000	18,380	2.6
1986	1,027,000	17,070	3.4
1985	998,000	15,389	4.3
1984	958,000	14,060	5.4

Sources: (1) U.S. Dept. of Commerce, Bureau of the Census (1993 estimated).
(2) U.S. Dept. of Commerce, Bureau of Economic Analysis (1993 estimated).
(3) New Hampshire Department of Employment Security, Economic and Labor Market Information Bureau (1993 estimated).

STATE OF NEW HAMPSHIRE
NUMBER OF BUILDING PERMITS FOR HOUSING UNITS
FOR THE LAST TEN CALENDAR YEARS

Year	Single Family Houses	Two Family Buildings	Three and Four Family Buildings	Five or More Family Buildings	Total
1993*					
1992	3,931	29	13	23	3,996
1991	3,531	20	14	12	3,577
1990	3,514	69	15	24	3,622
1989	5,664	176	58	72	5,970
1988	7,939	338	186	157	8,620
1987	10,878	552	179	136	11,745
1986	12,273	785	284	220	13,562
1985	10,500	530	84	407	11,521
1984	7,212	362	86	204	7,864

Source: U.S. Department of Commerce, Bureau of the Census.
* Data is not available for 1993.

STATE OF NEW HAMPSHIRE
SCHEDULE OF THE TWENTY LARGEST PRIVATE SECTOR EMPLOYERS
(Based on Number of Employees in the State)

Digital Equipment Corporation
Lockheed Corporation
Dartmouth-Hitchcock Medical Center
J. Sainsbury pic (Shaw's Supermarkets)
Dartmouth College
Liberty Mutual Group
DeMoulas/Market Basket
Bank of Ireland Group Head Office
General Electric Company
Hannaford Brothers Co.
Textron Inc.
NYNEX Corporation
James River Corporation of Virginia
Elliot Health System
Siemens AG
Sears, Roebuck & Company
Northeast Utilities
Timken Company, The
Wal-Mart Stores Inc.
Cabletron Systems, Inc.

Source: New Hampshire Business Review, December 11-24, 1992